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Daily Report

China

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Daily Report

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General

China To Sign Convention on Nuclear Safety

OW2009052394 Beijing XINHUA in English 0507
GMT 20 Sep 94

[Text] Vienna, September 19 (XINHUA)—China is going to sign the convention on nuclear safety during the 38th conference of the International Atomic Energy Agency (IAEA), a Chinese delegate to the conference said today.

Jiang Xinxiong, head of the Chinese delegation, said China is also going to make an extra donation of 1 million U.S. dollars to the agency for the purpose of financing model projects for other developing countries.

He also spelled out China's position on nuclear issues, including the banning of nuclear weapons and development of nuclear energy for peaceful uses.

He said that China consistently stands for the complete prohibition and thorough destruction of nuclear weapons, and it does not advocate, encourage or engage in the proliferation of nuclear weapons.

"However, it should be pointed out that the prevention of nuclear proliferation and the promotion of the peaceful uses of nuclear energy are mutually complementary ... (and) neither one can be replaced by the other," he said.

"Nuclear non-proliferation should not be pursued in such a manner as to impair the legitimate rights and demands for peaceful uses of nuclear energy of (IAEA) member states, especially the developing countries," he added.

He said that in order to meet the demand for electric power, China is to start the construction of phase II nuclear power projects in Guangdong and Zhejiang Provinces, as well as nuclear power stations in Liaoning and Shandong Provinces.

"Before the year 2000, the total capacity under construction will be expected to reach 8,000-10,000 megawatts (in China)," he said.

He said China will continue to follow the principle of "seeking foreign cooperation while emphasizing self-reliance," and will give top priority to quality and safety in developing nuclear power industry.

He said that "it is inappropriate to lopsidedly exaggerate the role of nuclear safety management in the work of the agency," and the international community's assistance in the nuclear safety of the East European and CIS (Commonwealth of Independent States) countries should not be at the expense of assistance to other member states."

As to the convention on nuclear safety, the Chinese delegate said the convention has laid "an international

legal foundation for the promotion and assurances of high-level nuclear safety worldwide."

"The Chinese Government will sign this convention after the completion of necessary legal procedures.... China will strictly abide by the obligations provided for in the convention and take an active part in the internationally coordinated actions for the strengthening of nuclear safety," he said.

He also said that China supports the agency's endeavor to adopt appropriate measures to strengthen the effectiveness and efficiency of the safeguards system, "which should be just, objective, reasonable, transparent and practicable."

"The system should be able to deter and detect any possible non-compliance activities, and redress the situation once non-compliance has been judged upon," he added.

On the recent cases of nuclear material smuggling in Europe, he said China has consistently attached great importance to the control and protection of nuclear material and opposes any form of illicit trafficking activities in nuclear material.

'News Analysis' Views Motives Behind Asian Games Trip

OW1909162994 Beijing XINHUA in English 1605
GMT 19 Sep 94

["News Analysis: What is the Real Purpose of Hsu Li-teh's Hiroshima Trip?"]

[Text] Beijing, September 19 (XINHUA)—In recent months the Taiwan authorities have been using every means to create "two Chinas" or "one China, one Taiwan".

This time they are attempting to send "vice-president the Executive Yuan" Hsu Li-teh to the Hiroshima Asian Games in the disguise of a "sports official", "chairman of the committee for Taiwan's bid to hold the 2002 Asian Games".

The excuse for doing so by the Taiwan authorities is totally groundless.

It is learned that no discussion will be held about who is to sponsor the 2002 Asian Games during the Hiroshima Asian Games or at the meeting of the Olympic Council of Asia to be held after the games.

Moreover, under the Constitution of the Olympic Council of Asia, Taiwan, as a region, does not have the qualifications for bidding either politically or technically.

It is quite obvious that the real purpose of the Taiwan authorities is to make use of the Asian Games to create "two Chinas" or "one China, one Taiwan".

In whatever name, Hsu can never change his status as "vice-president of the Executive Yuan", and his trip to the Hiroshima games in such an "official" status will cause the problem of "two Chinas" or "one China, one Taiwan".

Commenting on Hsu's trip, Li Teng-hui, Taiwan's "president", revealed his ulterior motive quite openly: "Whether I go or not (to Hiroshima), the important thing is to let everybody know the existence of the 'Republic of China' in Taiwan."

In fact, Hsu's purpose of the trip is exactly the same as Li's.

As the host of the games, the Japanese Government should be well aware that it will directly violate the basic principle of the Sino-Japanese joint declaration if it allows Hsu to enter Japan.

As is known to all, the settlement of Taiwan question is essential to China's sovereignty and reunification. It is also an issue of principle concerning the interests of the entire Chinese people, and the relations between China and Japan as well.

We hope that the Japanese Government will make a wise choice regarding Hsu's trip in order to avoid damaging the relations between China and Japan and disrupting the smooth process of the games.

United States & Canada

Vice President Rong Yiren Meets U.S. Businessmen

OW1909083594 Beijing XINHUA in English 0812 GMT 19 Sep 94

[Text] Beijing, September 19 (XINHUA)—Chinese Vice-President Rong Yiren met here today with Leo A. Daly, president of the U.S. Leo A. Daly company, and his party.

Rong said Leo A. Daly company and the China International Trust and Investment Corporation (CITIC) enjoy a good cooperative relationship and he hopes such cooperation would continue.

He briefed the U.S. businessmen on the situation of China's reform and opening up.

Mr. Daly said CITIC enjoys a good reputation in the international finance and business circles and his company is willing to further enhance its cooperation with CITIC.

Mr. Daly and his party are here as guests of CITIC.

Commentary Views Background To Haitian Crisis

HK1809073594 Beijing LIAOWANG in Chinese No 33, 15 Aug 94 p 46

["International Commentary" column by Tang Tianri (0781 1131 2480): "Commenting on the United States' Getting a Warrant for Sending Troops to Haiti"]

[Text] The UN Security Council adopted a resolution on 31 July authorizing the organization and founding of a multinational force and the use of all necessary means—including military means—to resolve the Haitian crisis. Who will be responsible for organizing and building this multinational force? U.S. Ambassador to the United Nations, Madeleine Albright put it bluntly when she said that the United States should "make preparations for its organization and leadership." This resolution has set a dangerous precedent by giving the United States a UN warrant to intervene militarily in the Latin American Region.

The Haitian crisis has gone on for three years. On 30 September 1991, the Haitian military, headed by the armed forces commander Raoul Cedras, launched a coup and overthrew Jean-Bertrand Aristide, the president who came to power through a general election and had been in office for only eight months, and took over Haiti's military and political power. Since then, the United States has been exerting efforts to press the Haitian military leaders, headed by Raoul Cedras, to cede power so that Aristide, who is in exile, may return to Haiti to resume his presidential office. In the wake of the setback of the U.S. bid to send military advisers to Haiti last October, the United States immediately pushed the UN Security Council to impose an oil and ammunition embargo against Haiti. Last May, the United States urged the UN Security Council to impose a comprehensive embargo on trade with Haiti. Recently, the United States has repeatedly stated that, should economic sanctions fail, military intervention will be conducted. At the same time, it has stepped up its deployment of troops to do battle. The United States has already dispatched 16 military vessels to the ocean areas surrounding Haiti, including an aircraft carrier with 36 armed helicopters, and has mobilized approximately 8,000 marine corps and other military personnel. The UN Security Council resolution authorizing the invasion of Haiti appeared against this backdrop.

Why should the United States so vigorously pursue all avenues of pressure and even spare no efforts to resort to force to resolve the Haitian crisis?

The United States has always regarded Latin America and the Caribbean region as its own "backyard," and can never tolerate a confrontational attitude from a small island state in this region. However, since the Haitian crisis, the Haitian military headed by Cedras has turned a blind eye to the UN Security Council resolution; furthermore, they have openly slighted U.S. pressure and warnings, and refused to cede power, while doing everything they can to impede Aristide's return to Haiti. For example, U.S. military personnel who were sent to Haiti last October to make preparations for restoring democratic order, came under attack and had to withdraw without even making a successful landing. U.S. peace-keeping efforts in Somali have also met with serious setbacks, resulting in a public outcry, which charged the Clinton administration with being indecisive in handling

diplomatic issues and having a wavering foreign policy, which has harmed the United States' status and image. People even expressed doubts about the Clinton administration's ability to resolve world issues. That is an important reason why the U.S. Government recently urged the UN Security Council to adopt a resolution authorizing an invasion of Haiti and began making preparations for military intervention.

With the ever worsening Haitian situation, large number of refugees have swarmed into the United States, thus creating a grave economic burden and putting considerable political pressure on the United States. Because of the comprehensive UN trade embargo and economic sanctions, Haiti's economic situation keeps getting worse. Its enterprises have gone bankrupt one after another, leading to a drastic increase in the unemployed population and creating a situation in which the people can barely survive. At the same time, the Haitian military is cruelly suppressing the opposition, resulting in a deterioration of the political atmosphere and social order; consequently, everyone feels insecure. In recent years, thousands of Haitian refugees have risked their lives to escape to the United States. Should this tide of refugees continue, it will be very difficult for the United States to keep the situation under control. That is another important reason behind the United States' determination to resolve the Haitian crisis through military intervention.

When viewed from the domestic angle, the United States has taken advantage of the legitimacy bestowed by the UN Security Council's warrant to step up its preparations for a military intervention in Haiti, a move which might help shift the people's attention from the "Whitewater incident." The "Whitewater incident," which caused a sensation in the United States, has now become a case under investigation by the U.S. Department of Justice, not to mention the most difficult political trouble President Clinton has faced since taking office. The Republicans simply will not let go of the issue, no matter how the investigation of the "Whitewater incident" turns out, and their aim is to put the Democrats in a difficult position for the upcoming mid-term elections in November as well as affect the 1996 presidential elections. Should the Clinton administration succeed in making the Haitian military surrender by force or through military threats, the prestige of the Clinton administration will be elevated, and the negative effects of the "Whitewater incident" will be written off.

Although the United States has received a warrant to invade Haiti, the Clinton administration is now facing the problem of strong opposition from public opinion domestically and overseas. Internationally, a great number of countries are against invading Haiti. The overwhelming majority of Latin American countries in particular oppose any intervention in Haiti's internal affairs and advocate continuous efforts on all sides to resolve the Haitian crisis through peace talks. The

United States has on several occasions intervened militarily in this region, greatly infringing upon the sovereignty and dignity of the Latin American countries, and these memories are still fresh in their minds. They oppose the repetition of a U.S. invasion conducted under a legitimate pretext through hoisting the UN flag. At home, the majority of Americans oppose sending troops to Haiti. According to the latest U.S. NEWS-WEEK poll, more than two-thirds of the people in the United States oppose intervening in Haiti's internal affairs through military means.

Some U.S. House representatives issued a statement saying that the UN resolution does not equate U.S. Congress authorization; if the United States wants to send troops to Haiti, it must first obtain congressional approval. The U.S. Senate has also admonished Clinton, saying that, if the president decides to issue an order to send troops to Haiti, he must consult Congress.

Because of the situation at home and overseas, the Clinton administration has not immediately taken action to start a military intervention against Haiti. Some Latin American countries, including Venezuela, are mediating. Haitian Armed Forces Commander Cedras has already stated that Haiti is willing to accept the mediation of Venezuela and other countries, and this has put the Haitian crisis at the crossroads of a peaceful or a military settlement. It is hoped that the efforts of the peace mediation of Latin American countries will be successful.

Column Attacks U.S. Weekly on Relations With Taiwan

*HK1909031594 Hong Kong WEN WEI PO in Chinese
26 Aug 94 p A2*

[“International Jotting” column by Li Jung (7812 2051): “Some Advice to DEFENSE WEEKLY of the United States”]

[Text] There is a journal called DEFENSE WEEKLY in the United States devoted, as its name implies, to military affairs, though it has a penchant for editorializing on foreign affairs. While the weekly must have an intimate knowledge of modern weapons systems, for example the “Stinger,” the surface-to-air missiles sold to Taiwan, it is often biased and off the mark in its judgments on international politics and contemporary history.

How so? An article in the latest edition of DEFENSE WEEKLY advocates, with thinly veiled evil intentions, the alleged “Taiwan’s right to return to the United Nations” in brazen disregard of the fact that the historical case was resolved in a just and equitable manner by the international community as early as 1971. While the persons cooking up this curious article knew very well that there are only a “small number of countries in the world who now maintain diplomatic ties with Taiwan” and “support Taiwan’s effort to reenter the United

Nations," they nevertheless expressed indignation at Taiwan being "denied entry to international economic organizations such as the World Bank and the IMF," saying that "Taiwan has been internationally cold shouldered only because most countries have followed the United States in recognizing only the PRC Government and one China, which was the position the United States adopted 15 years ago as a necessary step to counter the Soviet Union" and is "now only a product of the Cold War."

As the saying goes: Prejudice is further from truth than ignorance. My humble opinion is that DEFENSE WEEKLY cannot have been unaware of the difference between a "small number of countries" and "most countries." Since "most countries have followed the

United States in recognizing only one China," a policy which has met U.S. strategic needs well both in the past and now, how is it that the policy becomes all of a sudden and at one stroke a "product of the Cold War?" Does the fact that only a "small number of countries maintain diplomatic ties with Taiwan" not indicate precisely that Taiwan is only a province of China? No trick attempting "two China's" and "one China, one Taiwan" can work.

And DEFENSE WEEKLY was either making a calculated attempt to "pull back" hard-won Sino-U.S. relations or was being lighthearted about the serious consequences of damaging bilateral relations when it called on the U.S. Government to consider "upgrading its relations with Taiwan" while "reexamining its Taiwan policy."

Political & Social

Shooting Erupts in Eastern Beijing, 5 Reported Killed

Two Iranians Killed

HK2009004094 Hong Kong AFP in English 0021 GMT
20 Sept 94

[Text] Beijing, Sept 20 (AFP)—Shooting erupted early Tuesday in eastern Beijing, leaving at least five people dead, including two Iranians, witnesses said.

An Iranian and his young son were killed in the exchange of fire, which occurred around 7:30 a.m. (2330 GMT Monday) on the peripheral boulevard near the foreign enclave Jian Guo Men Wai.

The bodies of the two were seen lying on the ground with those of at least three Chinese who were armed with pistols and semi-automatic rifles.

Further on Shootings

HK2009015894 Hong Kong AFP in English 0050 GMT
20 Sept 94

[Text] Beijing, Sept 20 (AFP)—Two Iranians and three Chinese were killed in an early morning shootout Tuesday near Beijing's diplomatic enclave, witnesses said.

Three dead Chinese in civilian clothes, armed with handguns and a semi-automatic rifle, were seen lying on the ground, a foreign witness said.

An Iranian man and his son were also killed, and another Iranian youth was wounded in the leg, Iranian diplomats said, adding that the incident happened when the boys were going to school by car.

An AFP photographer saw the blood-spattered bodies of the man and the boy in the car, guarded by policemen in bullet-proof vests.

The shootout occurred around 7:30 a.m. (2330 GMT) on the Beijing circular road at Jian Guo Men housing complex, where many foreigners live.

There were no early indications as to the cause of the incident. An Indonesian resident said he had seen a man in civilian clothes shooting "apparently at random" with an automatic weapon.

Another witness, whose balcony overlooks the road, said plain-clothes police of the Public Security Bureau, who were passing by in a white jeep, returned fire, and some of them were among the casualties.

KYODO Reports Shooting

OW2009033394 Tokyo KYODO in English 0310 GMT
20 Sept 94

[Text] Beijing, Sept. 20 KYODO—At least three people were shot dead when an unidentified gunman, believed

to be a member of the People's Liberation Army, went on a shooting spree in Beijing's diplomatic area early Tuesday [20 September] morning.

Workers at the Iranian Embassy in Beijing confirmed that a diplomat and his son had been shot dead. The death of a taxi driver was also confirmed.

According to independent reports and eye witnesses, the shooting began at about 7:15 a.m. [2315 GMT] when the gunman approached a public bus and opened fire.

Gunman Armed With Assault Rifle

HK2009034194 Hong Kong AFP in English 0326 GMT
20 Sept 94

[By Gilles Campion]

[Text] Beijing, Sept 20 (AFP)—A man armed with an AK-47 rifle killed at least five people, including an Iranian diplomat and his son, as he marched along a six-lane Beijing highway on Tuesday firing at passing cars, witnesses said.

The gunman walked along the middle of the orbital highway in the eastern part of the capital indiscriminately shooting, witnesses said.

The 35-year-old diplomat and his nine-year-old son were driving to school, according to an Iranian embassy official. The diplomat's second 13-year-old son was wounded in the leg. An AFP photographer saw the bullet-ridden bodies of the man and his son still in their car, which was guarded by police in bullet-proof vests.

Another foreign resident said he saw three dead Chinese in civilian clothes but armed with handguns and a semi-automatic rifle, on the ground.

One witness said plain clothes Public Security Bureau police, who were passing in a white jeep, returned fire, and some of them were among the casualties.

It was not known if the gunman was killed or arrested by police, who would not give details. But a Malaysian diplomat said he saw five or six bodies being carried away. The diplomat, who asked to remain anonymous, said he could not tell if the victims were dead or wounded.

The shooting started around 7:30 a.m. (2330 GMT) on the main highway circling the capital near the Jian Guo Men housing complex in eastern Beijing, where many foreigners live.

Various accounts said the gunman shot at a taxi, another car, a bus, a truck, and a motorcyclist. Witnesses in the complex said they saw the man marching down the middle of the road spraying gunfire. "At first I thought it was fireworks," said the Malaysian diplomat. "I went out onto my terrace and I saw the man, aged about 30. He was brandishing the AK-47 rifle. First of all he fired at a motorcyclist, who was wounded but managed to escape over the barrier in the middle of road. Then he

started walking north and stopped a yellow taxi, firing at the driver who was hit in the head. I saw the driver get out of his car with blood running down his face. The attacker then got into the back of the taxi where there were two people and fired two or three times more."

An American resident, Kenneth Grant, also saw part of the shooting which he said lasted about 10 minutes.

"The man was wearing dark trousers, a T-shirt, and a kakhi shirt. He fired at a number 44 bus and also tried to stop a black car that drove on by. He fired at it before walking on and out of my view."

The two witnesses, who live in the same buildings, said police arrived about 10 minutes after the shooting started. Police wearing special helmets and bullet proof vests sealed off the district. Other witnesses said though that they saw blood traces on the ground and bullet marks on the taxi.

There were also accounts that the gunman tried to stop a truck which ended up ramming into a tree. There was speculation that the gunman tried to take over a vehicle to escape with the driver.

Tehran Reports Killing of Diplomat

LD2009081594 *Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 0330 GMT 20 Sep 94*

[Text] This morning, in the course of a shoot-out between the police and several armed Chinese men in Beijing, at least five people were killed. According to an eyewitness, three armed Chinese were killed during the incident. However, other reports indicate that the shooting took place between only one armed man and the Chinese police.

According to a report from some news sources, an Iranian diplomat and his son, who were passing the area in the course of the shooting, lost their lives. The Iranian diplomat, Yusef Mohammadi-Pishkonari, was taking his son to school.

Shooting Death Toll Now 6

HK2009044794 *Hong Kong AFP in English 0415 GMT 20 Sept 94*

[By Gilles Campion]

[Excerpt] Beijing, Sept 20 (AFP)—A man who opened fire on cars on a Beijing highway with an AK-47 rifle on Tuesday sparked a shootout with police that left at least six dead, including an Iranian diplomat and his son, witnesses said.

The gunman walked along the middle of the six-lane orbital road, in the eastern part of the capital, indiscriminately firing at passing vehicles in the early morning tragedy.

Various accounts said shots were fired at several cars, a crowded bus, a truck, a motorcyclist, and a cyclist. But police would not give firm details or a final death toll or even say if the gunman had been caught alive.

The 35-year-old diplomat, Youssef Mohammadi Pishknari, and his nine-year-old son were driving to school when shot dead, according to an Iranian embassy official.

Another 13-year-old son was wounded in the leg. But an embassy official said he was without news of two daughters also in the car.

A small boy on a bicycle being ridden by his father was shot in the head and killed, according to another witness. And a foreign resident said he saw three dead Chinese in civilian clothes but armed with handguns and a semi-automatic rifle, on the ground. [passage omitted]

Further KYODO Report

OW2009043694 *Tokyo KYODO in English 0426 GMT 20 Sep 94*

[Text] Beijing, Sept. 20 KYODO—An unidentified gunman dressed in military fatigues fired indiscriminately on passers-by Tuesday [20 September] morning killing at least three people and injuring up to 20, eyewitness accounts said.

The gunman, aged between 30 and 40 and carrying what appeared to be a rifle or shotgun, began the shooting spree just north of the Jianguomen overpass in central Beijing, one eyewitness said.

Around 7:20 a.m. local time [2320 GMT], the gunman began shooting randomly at cars passing along Beijing's busy second ring road, according to the eyewitness, who's apartment overlooks the scene.

At one point, the gunman hailed a minibus taxi, only to shoot the driver at point-blank range after he tried to flee the scene. It was believed the taxi driver died instantly.

The gunman then approached a public bus and again began firing indiscriminately at its passengers. At least 10 people were reportedly killed or wounded on the bus, he said.

Up to 200 armed police, wearing bullet-proof vests, then arrived on the scene and a gun battle ensued, with the gunman fleeing north toward the international post office, the eyewitness said.

At this point, according to a spokesman at the Iranian Embassy in Beijing, an Iranian diplomat and his son were shot and killed by the gunman, who also wounded the diplomat's other son.

Other eyewitnesses said the gunman was then shot dead by police.

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Sources at the Japanese Embassy in Beijing said the Chinese Foreign Ministry has informed them that three Chinese and two Iranians were killed during the incident.

The Beijing Public Security Bureau refused all comment and would not immediately confirm that the incident had taken place.

The Jianguomen area of Beijing is well-known as a base for the foreign diplomatic community and many international businesses.

XINHUA Reports 8 Killed

OW2009050594 Beijing XINHUA in English 0452 GMT 20 Sep 94

[Text] Beijing, September 20 (XINHUA)—Eight people including two Iranians were so far found killed and more than 30 others wounded by a man who was shooting indiscriminately at passers-by with an automatic rifle this morning, according to the Beijing municipal police authorities.

The man was killed by police on the spot.

The incident took place at about 6:40, Beijing time, this morning at a place between the flyover at Jianguomen and the Yabao Road in the eastern part of Beijing.

The more than 30 people who were wounded, including two other Iranians, were rushed to nearby hospitals.

Gunman May Be Army Serviceman

HK2009100494 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0825 GMT 20 Sep 94

["An Extraordinarily Serious Shooting Incident Occurs in Beijing, Killing Four People"]

[Text] Beijing, 20 Sep (ZHONGGUO TONGXUN SHE)—A shooting incident occurred in Beijing this morning. A man who had been shooting indiscriminately at innocent citizens with a gun was killed by police on the spot. It is learned that it was the most extraordinarily serious shooting incident to have occurred in the downtown district of Beijing over the past 45 years.

It is confirmed that the criminal was a serviceman of an Army unit stationed in Beijing, who drove a car from Beijing's east suburban Tongxian in the direction of Tiananmen along the east-west center line of the road (that is, the extension of Chang'an Street); he shot indiscriminately at passers-by with an automatic rifle along the way.

At around 0720, when the criminal arrived at Jianguomenwai, he was intercepted by policemen and armed policemen. He left the car and dashed toward Yabao Road. A 20-minute gunfight took place in the neighborhood of the Asia Pacific Building, and the criminal was killed on the spot.

According to an eyewitness, dozens of residents were wounded by the criminal, resulting in at least four deaths.

The site of the gunfight was tightly sealed off for the sake of safety, and traffic on Erhuang Road was blocked. Two hours later, the site was cleared, and traffic rapidly resumed. Investigations into the cause of the incident and the criminal's personal situation are under way.

AFP Reports PLA Connection

HK2009094294 Hong Kong AFP in English 0843 GMT 20 Sep 94

[By Gilles Campion]

[Text] Beijing, Sept 20 (AFP)—A gunman armed with an assault rifle opened fire Tuesday on cars, cyclists and passers-by on a highway in Beijing, in an orgy of killing that claimed eight lives before he was shot dead by police, witnesses said.

Descriptions of the killer, and unconfirmed reports, suggested a soldier of the People's Liberation Army (PLA), although there was no official confirmation of this.

Gunfire was first heard between 7:15 and 7:30 a.m. (2315 to 2330 GMT), on the city's orbital road close to the Jian Guo Men Wai complex for foreign residents.

The gunman, calmly walking up the middle of the road, fired rounds at cars, a crowded bus, a truck, a taxi, a motorcyclist and a cyclist, according to witnesses.

An Iranian diplomat, Youssef Mohammadi Pishknari, aged 35, who was posted to Beijing a year ago, was shot dead at the wheel of his Mercedes as he was driving his four children to school, Iranian diplomats said.

His nine-year-old son was also killed, another son aged 13 suffered a leg wound, and his 14-year-old daughter was seriously injured in the chest, they said. The fourth child, a girl, is in a state of shock.

It was not immediately clear whether the gunman had intentionally targeted the Iranians, or whether the diplomat was there just by chance.

Witnesses said police, toting guns and clad in bullet-proof vests, arrived about 10 minutes after the shooting started and opened fire on the assailant, which leaves the possibility that the Iranians may have been killed in crossfire.

The Iranian embassy was to ask the Chinese authorities for an explanation for the incident, diplomats said.

According to the official news agency XINHUA, all casualties were caused by the gunman himself, who opened fire randomly. It gave no details about his identity.

A small boy on a bicycle being ridden by his father was shot in the head and killed, according to another witness. A foreign resident said he saw three dead Chinese in civilian clothes, but armed with handguns and a semi-automatic rifle, on the ground.

Also among the dead was an old man who was performing morning exercises with his wife in a nearby public garden.

A Malaysian diplomat said he went to his balcony after hearing popping sounds that he first took to be fireworks.

"First of all he fired at a motorcyclist, who was wounded but managed to escape over the barrier in the middle of road.

"Then he started walking north and stopped a yellow taxi, firing at the driver who was hit in the head. I saw the driver get out of his car with blood running down his face.

"The attacker then got into the back of the taxi where there were two people and fired two or three times more." A woman passenger was seen to stumble out of the taxi before falling motionless to the ground.

Police immediately set a security cordon around the scene of the bloodshed, but several cars were visible on the road, including a motorcycle sidecar, which crashed against a tree, a Volkswagen Santana with nine bullet impacts and a bus with a smashed windscreen.

Witnesses said the gunman was aged man in his 30s [as received], wore dark trousers, a T-shirt and a khaki shirt. He had cropped hair and an apparent familiarity with his weapon, an AK-47, they said.

"He seemed very sure of himself, and handled his gun expertly, which made me think he was a soldier," an American said.

Officers from the People's Liberation Army (PLA) could also be seen at the sight.

According to unconfirmed reports, the gunman first opened fire on soldiers at a barracks in an eastern Beijing suburb before fleeing aboard a jeep with an assault rifle.

Random mass killings by a lone gunman are relatively frequent in the West, but are virtually unprecedented in China, where the authorities try to exercise tight control over firearms. But in recent years, the number of guns in private hands has swollen, reputedly in part because of theft from military supplies.

Wang Chaowen Discusses Nationality Relations

HK2009073694 Hong Kong RENMIN RIBAO Overseas Edition in Chinese 9 Aug 94 p 3

[Report on interview with Wang Chaowen (3769 2600 2429), chairman of the Nationalities Committee Under the National People's Congress, by staff reporter Li

Dejin (2621 1795 6855); date, place not given: "Consolidating and Developing New Type Nationalities Relationships—Talking With Wang Chaowen, Chairman of the Nationalities Committee Under the National People's Congress"]

[Text] On the occasion of the 10th anniversary of the promulgation and implementation of the "PRC Law of Regional National Autonomy," I had an interview with Wang Chaowen, chairman of Nationalities Committee under the National People's Congress [NPC].

He said that the promulgation and implementation of the law of regional national autonomy, as the basic law for carrying out the system of regional national autonomy laid down in the Constitution, symbolized that the system of carrying out regional national autonomy in China had entered the new stage of legalization. Over the past ten years, a large amount of work has been carried out by both the central and local authorities in order to implement this law. The law has played an extremely important role in consolidating and developing socialist nationality relations of equality, unity, and mutual assistance; safeguarding the unity and stability of the state; promoting reform and opening-up of nationality areas; developing their economic, cultural and various other undertakings; and strengthening the building of the socialist nationalities legal system.

During the conversation, I learned that 63-year-old Wang Chaowen was originally a cowherd, and it is no wonder that people still call him a Miao provincial governor in plain clothes from a Miao fortified mountain village. At the age of 26, he acted as secretary of the party prefectural committee secretariat of the Miao and Tung Nationality Prefecture in southeastern Guizhou Province. After 1977, he served as a member of the CPC Standing Committee and Governor of Guizhou Province. After 1983, he served as Governor for two terms in succession and as member of the CPC Central Committee of the 12th, 13th, and 14th congresses. Last year, he was elected a member of the Standing Committee of the Eighth NPC and chairman of the NPC Nationalities Committee. In January this year, he was elected chairman of the NPC Standing Committee of Guizhou Province.

Combining the course of his own growth and working practice, Wang Chaowen was extremely excited to talk about the gigantic changes brought to nationality areas by implementation of the law on regional national autonomy. He said that the new changes that have taken place in nationality areas over the past ten years were shown primarily in the following aspects:

—A number of national autonomous areas have been built. After the promulgation of the law on regional national autonomy, 47 autonomous counties were built throughout China which occupied one-third of the total number of national autonomous areas. Throughout China there now are five autonomous

regions, 30 autonomous prefectures, and 122 autonomous counties—totalling 157 national autonomous areas, with an area of about 64.3 percent of China's total area, and the population of minority nationalities which exercise autonomy accounts for approximately 75 percent of the total population of minority nationalities in China, and 44 minority nationalities in China have exercised regional national autonomy. It is stipulated in the Constitution and the law on regional national autonomy that regional autonomy is to be exercised, autonomous organizations set up, and the power of autonomy exercised in areas where minority nationalities live in compact communities, and that the posts of autonomous regions chairmen, autonomous prefecture chiefs, and autonomous county magistrates are to be undertaken by minority nationality citizens in places where regional autonomy is exercised. The setting up of autonomous areas has achieved the aspirations for which minority nationalities long have craved, and has ensured that minority nationalities enjoy equal and autonomous power according to the law, and the power of running the affairs in their own areas independently. The superiority of the system of regional national autonomy carried out in China has had a very good effect on the world.

- Complementary laws and regulations have been worked out for the implementation of the law on regional national autonomy. After the promulgation of the law, various national autonomous areas—proceeding from their actual political, economic, and cultural situation and characteristics of their own—worked out, according to state law, a number of local laws and regulations for implementing the law on regional national autonomy. Up to now, in 157 national autonomous areas across China, 25 autonomous prefectures and 94 autonomous counties, totalling 119 national autonomous areas, have worked out autonomous regulations. Qinghai and eight other provinces having jurisdiction over national autonomous areas have worked out a number of regulations and measures for implementing the law on regional national autonomy, and various national autonomous areas also have worked out 52 individual regulations concerning their spoken and written language, culture and education, marriage, birth control, resource management, and other fields as well as 58 flexible, supplementary regulations on electoral law, marriage law, inheritance law, and others. In December 1991, the State Council also dispatched a notice concerning certain questions on further carrying out the law on regional national autonomy. A nationalities legal system now has taken shape in China on a preliminary basis.
- Sustained economic development has been carried out in national autonomous areas, allowing with a great improvement in the lives of the people. In the five autonomous regions of Inner Mongolia, Guangxi, Xizang (Tibet), Ningxia, and Xinjiang, and in the

three multinationality provinces of Guizhou, Yunnan, and Qinghai, the gross national product (GNP) in 1993 grew by more than 50 percent over that of 1983, national income by about 52 percent, and total industrial and agricultural output value by about 65 percent. Moreover, the state also increased input in funds for national autonomous areas, set up many supporting funds, and supported and helped their economic and social development, through such measures as fixed-amount financial subsidies, development funds to support economically underdeveloped areas, subsidies for construction undertakings in border areas, subsidies for nationalities areas, food-and-clothing funds for poverty-stricken minority nationality areas, and subsidies for nationality education. According to incomplete statistics, from 1980 to 1993, various financial subsidies granted to eight nationalities provinces and regions by the state amounted to over 100 billion yuan.

- Reform and opening-up of nationality areas made new progress. With the implementation of the law on regional national autonomy, and especially since the publication of the important talk given by Comrade Deng Xiaoping during his inspection tour of southern China, various national autonomous areas have emancipated their minds, made bold experiments, accelerated their pace of reform and opening up, and made heartening achievements. In the six provinces and regions of Inner Mongolia, Guangxi, Yunnan, Xizang (Tibet), Qinghai, and Ningxia, more than 3,700 joint ventures with foreign businessmen were approved in 1993, and proposed investments exceeded \$5 billion. Eight-point preferential policies and measures for opening to the outside world were made public in Xinjiang. In Inner Mongolia and Yunnan, a number of border cities were opened which carried out the preferential policies for open coastal cities. Twenty-one point regulations were promulgated in Xizang (Tibet) to encourage investment by foreign businessmen, and in 1993 alone there was a total of 41 joint domestic projects using foreign investment and technology, and proposed imported funds totalled 67.11 million yuan and 9.63 million dollars. Xizang (Tibet) also set up 129 sole-proprietorship enterprises with coastal areas and other provinces and regions, and newly built a number of state and local ports. Ningxia put forward an open "Ningxia-Coastal Areas-Overseas" strategy: set up more than 20 enterprises in Shenzhen, Zhuhai, Hainan, Tianjin, and other coastal economic special zones and cities; set up trade windows in countries and regions such as Singapore, Thailand, and Hong Kong; and built up economic and trade relations with 58 countries, including a large number of Islamic states. At the beginning of this year, with the approval of the State Council, the following became reform and opening-up experimental zones in national autonomous areas: Ili Kazak Autonomous Prefecture, in Xinjiang; the city of Geermu, in Qinghai; Hulenbel Banner and the city of Ulhai in Inner Mongolia; the Miao and

Tong Nationality Autonomous Prefecture in south-eastern Guizhou; the Linxia Hui Autonomous Prefecture in Gansu; and the Yanbian Korean Nationality Autonomous Prefecture in Jilin. This surely will give an important impetus to the reform and opening up, and to the economic leap of nationality areas.

- Nationality education developed rapidly. In recent years, the state has quickened the development of nationality education by extending support in expenses, running boarding primary schools, appropriately lowering admission grades for enrollment in institutions of higher learning, running classes and preparatory courses for minority nationalities, having a certain percentage of seats in higher institutions in inland areas each year being assigned by the state for the enrollment of postgraduate students from outlying nationality areas, organizing relevant higher institutions in inland areas to extend support geared to the needs in outlying nationality areas, strengthening moral education in nationality areas, and other measures, thereby greatly changing the backward situation of nationality education in China. According to statistics, by the end of 1993, there were over 100,000 primary schools, over 10,000 general secondary schools, nearly 600 secondary specialized schools, and over 100 institutions of higher learning in national autonomous areas all across China.
- The numbers of nationality cadres grew rapidly. By the end of 1993, there were more than 2.28 million minority-nationality cadres, an increase of about three times over the 830,000 cadres in 1978. A large number of minority-nationality cadres took various leading posts, and the political quality, working ability, and scientific and cultural levels of minority-nationality cadres were raised in general.
- New type socialist nationalities relations were developed, and national unity was further strengthened. China is a unified multinationality state, and to strengthen national unity and safeguard the unification of the motherland on the basis of national equality are in the fundamental interest of various nationalities. Without social stability, it is impossible to carry out economic construction, and it is impossible for people of various nationalities to achieve common prosperity. Therefore, to strengthen national unity and develop a new type of socialist nationality relations are of extremely great significance to building socialism with Chinese characteristics. Since the founding of the PRC, and especially since the Third Plenary Session of the 11th CPC Congress, the party and state have taken many measures to safeguard national unity, and to consolidate and develop socialist nationality relations. These include: Strengthening throughout the party and the Chinese people the ideological education that "the Han nationality cannot be divorced from the minority nationalities, and the minority nationalities cannot be divorced from the Han nationality"; extensively developing

national unity commendation activities, from the central to the local authorities; vigorously propagating, studying, and implementing the law on regional national autonomy; and enhancing the perception of the legal system among the broad masses of cadres. China now is socially stable; the people of various nationalities are united and harmonious, and they live and work in peace and contentment; and the situation of reform and opening up, and of economic construction is excellent. Practice has proved that it suits China's national conditions, is very successful, and is of powerful vitality for China to carry out the system of regional national autonomy.

Xiao Yang Views Role of Anticorruption Bureaus

HK2009064594 Beijing FAZHI RIBAO in Chinese 18 Aug 94 p 1

[Article by Minister of Justice Xiao Yang (5135 2254): "Sacred Mission—in Commemoration of the 5th Anniversary of the Establishment of the Country's First Anticorruption Bureau"]

[Text] On 18 August 1989, a day of brilliant sunshine, the republic's first anticorruption bureau announced its establishment under the People's Procuratorate of Guangdong Province, a pilot in reform and opening up experiments. Following its establishment, other anticorruption bureaus sprang up throughout the country. This started a new page in the fight against corruption.

The Saber Is Drawn

The establishment of a working organ against graft and corruption was a significant step taken to implement the important instruction made by Comrade Deng Xiaoping on 16 June 1989: "Do several important things in earnest to combat corruption." It embodied the determination and action of the party and government to combat corrupt practices and punish criminal acts of graft and corruption.

The emergence of anticorruption bureaus had well-substantiated objective, theoretical, and legal grounds. They were established on the basis of scientific proof after serious investigations and study and a long period of deliberation and careful consideration. They represented the summation and theoretical distillation of China's practical experience in combating economic crimes of graft and corruption over the years, the result of bold explorations made by all procuratorial cadres and police in theory and practice over the years, and the crystallation of collective wisdom. They were also a creative development made on the basis of the successful experience of other countries and territories in the fight against corruption.

Anticorruption bureaus are special fight-corruption organs that combine the reporting of crimes, investigations, and prevention. They have a composite system which combines specialized work with the mass line, and

modern legal concepts with the traditional moral and ideological concepts of our country. In other words, they combine vigorous punishment in accordance with the law with other effective preventive and educational measures to become "sharp sabers" held in awe by economic criminals who are involved in graft, corruption, and other offenses, thereby playing an important role in the fight against corruption.

The establishment of anticorruption bureaus has aroused the enthusiasm of the broad masses of the people in fighting economic crimes of graft and corruption, and stimulated their zeal to inform the authorities of such crimes. The masses are the source of strength and the foundation of victory in the fight against economic crimes of graft and corruption. One of the advantages enjoyed by anticorruption bureaus is that they organically combine democratic supervision by citizens with legal supervision by specialized organs. As they have opened up a new venue for the masses to exercise supervision and lodge complaints and have promoted the development of socialist democratic politics, they have become a powerful weapon and an important means for citizens to fight job-related crimes. With the masses actively making reports and offering information, anticorruption work has built up a solid mass base over the past years and has become a major channel for procuratorial organs handling graft, corruption, and other job-related crimes. We have basically abandoned the long-standing practice of "checking records one by one" and put an end to the situation where we had to "seek out cases."

The establishment of anticorruption bureaus has effectively strengthened the work of investigation by specialized organs. Investigation is the core of our fight against crimes of graft and corruption, and the ability and level of investigation are important parameters determining whether or not an anticorruption organ is an authoritative one. Over the past several years, anticorruption bureaus have improved their facilities and extensively strengthened and made use of various effective means for the cracking of economic crimes of graft and corruption. Scientific operation and the importance attached to a rapid and sensitive response in the formation of strategies have also pushed the anticorruption struggle to a new level. Sly criminals now find it impossible to escape the long arm of the law. Desperate criminals who have gone into hiding with their ill-gotten monies have been apprehended, and people who have slipped further and further down the road of law-breaking and crime have been saved. The anticorruption bureaus have also effectively protected the legitimate rights and interests of the state, the collective, and individuals, and have promoted the development and prosperity of the economy.

The establishment of anticorruption bureaus has been followed by extensive explorations in and the active launching of preventive work that shows the characteristics of specialized anticorruption organs. When preventive work has been grasped well, it is entirely possible to

control and reduce the occurrence of economic crimes of graft and corruption. Thus, only by combining specific prevention by specialized organs with general prevention will it be possible to achieve the desired social effect. Over the past years, anticorruption bureaus have regarded preventive work as a specialized task and have effectively strengthened their leadership over it. They have made the necessary arrangements, devised the necessary measures, and taken the necessary actions to launch in-depth preventive work, and have yielded the desired results. In the light of their actual conditions, bureaus in the various localities have boldly explored and tried out new ways of preventing graft and corruption. Particularly worth pointing out is that the preventive work of anticorruption bureaus has become more and more professional. Preventive work has gradually rid itself of the image of a "soft task," demonstrated its special characteristics, and increased its intensity and effectiveness. I believe that through the unremitting efforts of their preventive departments, the preventive function of anticorruption bureaus will definitely help reduce the occurrence of graft and corruption.

Practice over the past five years proves that the establishment of working organs against graft and corruption is entirely correct. It is in keeping with the aspirations of the party and the people, conforms to the trend of the times, and conforms with the reality of the anticorruption struggle. Thus, they have demonstrated great vitality since their birth.

Harsh Laws Check Corruption

Comrade Deng Xiaoping pointed out: "As long as the policy of opening up and invigoration continues, it is necessary to carry out the work of rectifying party work style, correct unhealthy practices, and combat criminal activities. This is a long-term task that must run through the entire process of reform." Negative and corrupt phenomena such as graft and corruption have very complicated social, historical, political, economic, and cultural roots. We cannot expect to "accomplish the task in a single stroke or several moves," or eradicate corruption in China through several large-scale "storms." Practice tells us that even if corrupt phenomena such as graft and corruption are contained for a while, when the climate is right, they may come back to life again. According to Comrade Xiaoping, "it may take another 30 years before we can develop a set of more mature and specialized working systems. The principles and policies under such a system will also be more standardized." During the period of transition between the old and new systems, if our battle against corruption lags behind needs, negative and corrupt phenomena such as graft and corruption may occur frequently and reach a peak. Thus, we must not rely on "a gust of wind" to combat economic crimes of graft and corruption. Rather, we must rely on the legal system in the spirit of the 14th CPC National Congress, and conduct the work steadily and unremittingly as a regular task.

Social and political stability and economic prosperity now prevail in our country. Reform and opening up are developing in depth, and the situation is excellent. Things are also going well in our anticorruption bureaus. Our task now is to develop this favorable situation, consolidate the achievements already made, clearly define our long-term and immediate objectives, and launch our struggle against economic crimes of graft and corruption in a penetrating, sustained, and more effectively way so that the work of combating corruption can better serve economic development, reform and opening up, social stability, and the party's work as a whole.

In order to lead the struggle against economic crimes of graft and corruption into greater depth and help it develop in a more down-to-earth, healthy, and effective way, we must adhere to the spirit of the directives of the CPC Central Committee regarding the work of anticorruption bureaus.

First, it is necessary to persist in unswervingly combating economic crimes of graft and corruption severely and strictly. Combating economic crimes of graft and corruption and doing a good job of promoting honest administration are important components in the work of government building. For a country, it is impossible to establish itself unless corrupt officials are removed from office; for a government, it is impossible to lay the groundwork unless dishonest functionaries are eliminated; and for a ruling party, it is impossible to build up credibility unless corruption is eradicated. Comrade Jiang Zemin has pointed out profoundly: If corrupt phenomena are allowed to continue to spread, "our party, our people's political power, and great socialist cause will all be ruined."

Hence, we should recognize the utmost importance of the anticorruption struggle from the high plane of the survival of our party, the prosperity of our country, the honor of our nation, and the survival of our government. We should fully understand that the struggle is a pressing and long-term task in consolidating the position of socialism and the ruling party, maintaining long-term peace and security, and ensuring the success of reform and opening up. At present, economic crimes of graft and corruption are still serious and are unlikely to be eradicated within a short time. Faced with such a situation, our only option is to reinforce, not weaken, the functions of anticorruption bureaus, and to continuously strengthen the building of anticorruption bureaus. Only by giving full scope to the functions of specialized organs and to citizen's role of democratic supervision, and by making concerted efforts to investigate and handle some important cases, will it be possible for us to effectively combat economic crimes of graft and corruption. It is only with harsh laws that we can combat corruption. The greater the intensity and thoroughness of the struggle, the stronger the guarantee for social stability and the steadier, better, and faster the pace of reform and opening up will be. Hence, we must not hesitate or waver in the slightest in dealing severe and harsh blows at crimes of graft and corruption.

Second, it is necessary to unswervingly uphold the principle of "be resolute, prudent, and accurate." Being resolute, prudent and accurate are a dialectical unity and should not be pitched against one another, or separated. We must be perfectly clear about the need to resolutely combat economic crimes of graft and corruption. However, during the present period of great reform and change when new situations and new problems are emerging continuously, problems of legal and policy boundaries encountered in judicial practice are bound to increase in number and complexity. The people mortally hate corrupt phenomena, but they also hope that anticorruption bureaus will never accidentally harm those clean and honest officials whom they look upon as parents and who do good and real work for them. This demands that anticorruption bureaus must take a prudent attitude in their handling of cases. For those who do not understand this, it is necessary to overcome an impetuosity arising from an infinite hatred of evil and the illusion that we can cut the Gordian knot and swiftly "cleanse the country" by resorting to criminal charges in all cases. We have to be resolute and prudent ultimately because of the need to be accurate. The key to being accurate lies in not leaving any sequelae. If we are not accurate, wrongly handled cases will multiply and the sequelae will become more serious. Only if we can hit accurately will we be able to strike sure and relentless blows. In order to be accurate, it is necessary to look into every case and exercise utmost prudence in every step along the way. In the handling of cases arising from the reform of the economic structure, it is necessary to be sober and prudent, act strictly in accordance with the law while striving to be rightful, fair, and reasonable, and pay attention to the need to arouse the enthusiasm of the cadres and masses in taking part in reform. Hence, we should not be overcautious and drag our feet because of the emphasis on prudence, or unwilling to take action even though we already have an accurate grasp of the case. However, neither must we be oversimplistic and one-sidedly strive for numbers and speed at the expense of accuracy and quality because of the emphasis on the need to be resolute. Both are to be avoided by anticorruption bureaus.

Third, it is necessary to unswervingly adhere to the guiding principle of serving the central task of economic construction. China's great task is economic construction. Persisting in taking economic construction as the central task and concentrating all energies on boosting economic construction is the essential requirement of socialism. If we deviate from this central task, we will lose the material base upon which the building of socialism with Chinese characteristics relies for its existence and development. Hence, Deng Xiaoping said: "The task of modernization is a multifaceted one which requires all quarters to strike a balance rather than going it alone. However, in the final analysis, it is still necessary to take economic construction as the central task. If we deviate from this central task, we will be in danger of losing our material base. All other tasks must center

round this central task and must not interfere with or encroach upon it." The same is true of the work of combating corruption. We must firmly establish the guiding ideology of serving economic construction, continuously increase our awareness in submitting to and serving this central task of economic construction, and take this as the principal yardstick in examining the work of combating corruption. As far as serving reform, opening up, and economic construction is concerned, the combating of economic crimes of graft and corruption is different from other political, economic, and cultural work only in terms of operational mode, not in terms of objectives. The two depend on and promote each other. They are complementary and not in the least contradictory.

In making the work of combating corruption serve economic construction, it is necessary first of all to create a stable social and political environment as well as a fine economic order for economic construction. Practice shows that we cannot develop socialism without developing the economy, cannot develop the economy without reform and opening up, and cannot carry out reform and opening up without a stable environment. Economic crimes of graft and corruption are mortal enemies of reform and opening up; they are a dangerous cause of social turmoil and economic disorder that cannot be overlooked. Hence, resolutely and accurately combating economic crimes of graft and corruption is an indispensable and important service toward economic construction.

Next, it is necessary to continuously strengthen the attraction, rallying force, and appeal of the party and the government in leading the economic construction, as well as their ability in macroeconomic control. Our party is the representative of the fundamental interests of the masses of the people, and is the force at the core leading the cause of reform, opening up, and building socialism with Chinese characteristics. Thus, the party and the government have all along been prohibited from practicing corruption, and there is no such thing as a hierarchy that practices corruption. On the whole, the overwhelming majority of our cadres are clean and honest, devoted to their duty, and resolute in their opposition to corruption. This is the main aspect and essence, the launching-pad for the struggle against corruption. Thus, in combating corruption, it is necessary to punish the handful and to educate and save the majority. The work should be launched as a long-term task under the guiding ideology of overall prevention. It is necessary to arouse people's enthusiasm, turn negative factors into positive ones, and turn the work of combating corruption into a real driving force for economic development. On the other hand, our work to combat corruption is also intended to purify the ranks, consolidate the internal order of the people's political power, and boost the image and prestige of our party and government. In a nutshell, it should be for the consolidation of political power in order to ensure the healthy and smooth development of economic construction.

Moreover, the implementation of the guiding ideology of serving economic construction must find expression not only in the overall arrangement for the anti-corruption struggle, but in every concrete link in the handling of cases. In other words, in the course of resolutely enforcing the law and dealing a crushing blow to crimes of graft and corruption, it is necessary to make full use of strategies of struggle and the art of struggle. Every act of law must be timely and appropriate, and have the optimal development of the economy and the improvement of the productive forces in mind. This is what strict law enforcement is all about. In short, we must include the combating of economic crimes of graft and corruption in economic construction, have a good grasp of the dominant task of economic construction, and unswervingly submit to and serve this dominant task.

The Burden is Heavy and the Road Is Long

The important policy of the CPC Central Committee to oppose corrupt practices and combat graft and corruption has been put into practice in various localities. The determination and action of the party and the government have enjoyed immense popular support. The struggle to oppose corrupt practices and combat graft and corruption has had a good start. We must make best use of the situation and guide the struggle to victory.

It has been five years since the first anticorruption bureau was established. Five years is but a brief twinkling in the long course of history. Still, we are happy to say that we have achieved fruitful results and numerous successes on the stormy road of combating corruption. The work of combating graft and corruption in the country has been developing by leaps and bounds, and the building of anticorruption bureaus has been greatly strengthened.

Every new-born thing goes through a course of birth, growth, development, and perfection. Man's cognition also goes through a process that moves from the easy to the difficult. The present condition of our anticorruption bureaus is still a far cry from our goal—building highly authoritative and efficient special working organs with Chinese characteristics for combating graft and corruption. What we have in mind are organs that combine the reporting of crimes, investigation and prevention with information gathering, are well-equipped with all necessary means and facilities, and are quick to respond. Our existing anticorruption bureaus have yet to establish their authoritative image and to properly bring into play their capacity to deter crimes. They are still not quite up to the expectations of the masses, and people are not at all at one in their understanding of anticorruption bureaus.

However, as is to be expected, the subjective and objective difficulties confronting our anticorruption bureaus are but temporary difficulties experienced by new things in the course of their growth, and can be gradually resolved as the reform deepens. This tells us that a lot

still need to be done in the building of anticorruption bureaus, such as improving the structure, strengthening equipment, and reinforcing the working means. It also tells us that while seeing the achievements of anticorruption bureaus, we should also have a great sense of responsibility and mission.

The struggle against corruption is an important task for the whole party, a common task for both administrative and legal departments. The establishment of anticorruption bureaus is a new exploration and experiment. Their scientific quality, feasibility, and efficiency have been proven by practice. The building of anticorruption bureaus is also systems engineering of a social nature. The realization of the objectives of anticorruption bureaus, the development of their potential, and the raising of their prestige and authority require the support and coordinated efforts of legislative, administrative, judicial, and other departments concerned.

New things that conform to the objective laws of development will not perish. The struggle to oppose corrupt practices and combat corruption and the building of anticorruption bureaus are integral parts of the legal system. The end of the struggle against corruption is not yet in sight. Whatever the circumstances, it is hoped that the vast number of comrades engaged in anticorruption work will persevere in doing a good job of building working bureaus against graft and corruption and in doing a good job of combating economic crimes of graft and corruption as before.

No matter how we look at it, the struggle to oppose corrupt practices and combat graft and corruption is an arduous and long-term task that requires us to redouble our efforts, promote the prosperity of the cause of reform and opening up, and ensure the continuous development of the socialist market economy. I believe that this will be the best way to commemorate the fifth anniversary of the establishment of anticorruption bureaus.

Editorial Marks Autonomy Law Anniversary

OW1909141294 Beijing XINHUA Domestic Service in Chinese 1144 GMT 19 Sep 94

[RENMIN RIBAO 20 September editorial: "Strengthen Unity Among Nationalities, Promote Common Prosperity—Commemorating the 10th Anniversary of the Promulgation and Implementation of the Law on Regional Autonomy for Minority Nationalities"]

[Text] Beijing, 19 Sep (XINHUA)—It has been 10 years since the "Law of the PRC on Regional Autonomy for Minority Nationalities" was adopted by the Second Session of the Sixth National People's Congress on 31 May 1984, and since the law entered into force on 1 October 1984. The practice over the past decade has proved that the law has played an important role in safeguarding the motherland's unification, enhancing the unity among nationalities, and promoting the development of regions inhabited by minority nationalities; and that it has received hearty support from the people of all nationalities.

Regional autonomy for minority nationalities is a basic policy of our party and our state in handling questions related to nationalities; and it is a successful innovation of our party to integrate the Marxist theory on nationalities with the concrete situation in China. Regional autonomy, as a basic political system, has long been incorporated into the "Common Program of the Chinese People Political Consultative Conference" and the "Constitution of the People's Republic of China," and has been implemented. The practice over the past more than four decades has proved that the implementation of regional autonomy for minority nationalities can help promote the establishment of socialist relations among nationalities based on equality, unity, and mutual assistance; and it is conducive to guaranteeing the right of minority nationalities to be the masters of their own in regions where they live in compact communities, as well as to safeguarding the country's unification and the unity among nationalities. It is a good policy and good system with great merits suitable for China's national conditions. Such a good policy and system should be codified. The law on regional autonomy for minority nationalities was drafted precisely on the basis of the Constitution's basic principles and provisions on regional autonomy for minority nationalities, and after summing up historical experiences.

The promulgation and implementation of the Law of the People's Republic of China on Regional Autonomy for Minority Nationalities signifies that our country's system of regional national autonomy has entered a new and legalized stage. Over the past decade, party committees, people's congresses, and governments at various levels from the central authorities to various localities, as well as various departments concerned of the state, have attached great importance to the implementation of the Law of the People's Republic of China on Regional Autonomy for Minority nationalities, have done a lot of work in this respect, and achieved significant results. Since the promulgation of the law, 47 new autonomous counties have been established, accounting for one-third of areas under regional national autonomy. Now China has five autonomous regions, 30 autonomous prefectures, and 122 autonomous counties, totaling 157 areas which are under the system of regional national autonomy. The total area under the system of regional national autonomy accounts for 64.3 percent of all territories of the country. The number of people under regional national autonomy accounts for 75 percent of all people of minority nationalities, including 44 different people of minority nationalities. Over the past years, the state has increased investment of funds for the development of areas under the system of regional national autonomy and adopted many preferential policies and measures. As a result, areas under regional national autonomy have accelerated the pace of reform and opening up, made relative fast economic development, and made good achievements in other undertakings. Various national autonomous areas have, based on the Law of the People's Republic of China on Regional

Autonomy for Minority Nationalities, formulated a number of regulations on autonomy, specific regulations and local laws in line with the special characteristics of political, economic, and cultural situation in their respective areas. Our country has in the main established a framework of legal system for regional national autonomy. The implementation of the Law of the People's Republic of China on Regional Autonomy for Minority Nationalities has not only played an important role in promoting the development of various undertakings in national autonomous areas but also actively promoted reform, opening up, and the modernization drive in our country. In the world today, national contradictions in many countries and regions have aggravated and the society is unstable in those countries and regions. However, our country has maintained a situation of long-term stability and rapidly developing economy. A very important reason of this situation is our country's implementation of a series of nationality policies and laws, including the Law on Regional Autonomy for Minority Nationalities, and the consolidation and development of the socialist relationship among various nationalities on the basis of equality, unity, and mutual assistance. It is precisely what Comrade Jiang Zemin has mentioned in referring to regional national autonomy: "Through decades of tests, it has been proven that this system suits the national situation of our country and has a powerful vitality."

Strengthening unity among nationalities and developing new-type socialist relationship between nationalities are of extremely important meaning to building socialism with Chinese characteristics. Leading cadres at all levels should use the commemoration of the 10th anniversary of the promulgation and enforcement of the law on regional autonomy for minority nationalities as an opportunity to further enhance awareness of the great significance of regional autonomy for minority nationalities and heighten consciousness in implementing party and state nationalities policies and laws governing nationalities as well as various other state laws. Nationalities work has always been a major task in China. It has a bearing on national unification, social stability, economic development, the strengthening of border defense, the improvement of the nation's standards, and the frustration of international hostile forces' plots. We must pay closest attention to it and successfully carry it out. We must make the study, propaganda, and implementation of the law on regional autonomy an important element of the education drive to extensively disseminate knowledge about laws among the people. We must persistently carry out education in the party's nationalities policy and in unity among nationalities so that the vast numbers of cadres and masses will consciously implement laws and policies governing nationalities and safeguard unity among them.

To further implement the law on regional autonomy in national autonomous areas, the most important thing is to unite and organize people of all nationalities to strive to improve the economy. At present, although the

economy in most minority areas has developed greatly, it is, on the whole, still relatively backward. Although the masses' livelihood has improved a great deal, it is still fairly difficult. We must accomplish all the tasks in minority areas in the course of developing the economy and improving the livelihood. Most minority areas are characterized distinctly by vast land with a sparse population and rich resources. An effective way to achieve economic revitalization in minority areas is to make resources development the strategy for economic development in minority areas and transform their superiority in resources into actual economic superiority as soon as possible.

Comrade Mao Zedong long ago pointed out: "The unification of our country, the unity of our people, and the unity of our various nationalities—these are the basic guarantees of the sure triumph of our cause." Currently, under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line and under the leadership of the CPC Central Committee, with Comrade Jiang Zemin as its core, people of all nationalities throughout the country are working hard to accomplish the magnificent goal of socialist modernization. More successfully implementing the law on regional autonomy and party and state laws and policies governing nationalities can definitely provide a more practical guarantee and stronger motive force for the great cause of building socialism with Chinese characteristics.

TV Documentary on CPPCC Under Mao, Deng Premieres

OW1909004594 Beijing XINHUA Domestic Service in Chinese 0643 GMT 16 Sep 94

[By reporter Sun Yong (1327 0516)]

[Text] Beijing, 16 Sep (XINHUA)—"Ode to the Bright Future," a special documentary film on the brilliant history of the Chinese People's Political Consultative Conference [CPPCC], premiered here today.

The film is China's first documentary that systematically introduces the CPPCC's brilliant history since its founding. The documentary, which contains a large selection of rare historical film clips and archive material, uses modern audio-video technology to truthfully and vividly reproduce the tremendous contributions the CPPCC made under the leadership of the CPC in uniting all democratic parties, nonparty democratic figures, people's organizations, and personages of all nationalities in all circles to establish, consolidate, and develop New China during the period presided over by Chairmen Mao Zedong, Zhou Enlai, Deng Xiaoping, Deng Yingchao, Li Xiannian, and Li Ruihuan. The film reflects the historical inevitability of the CPPCC's existence and development as the Chinese people's broadest patriotic united front organization and as an important apparatus for multiparty cooperation under the leadership of the CPC in the course of socialist revolution and construction.

Cheng Siyuan, Wu Xueqian, and Wan Guoquan attended the premiere.

The documentary will be broadcast by the Central Television Station using Program No. 1 on 19 and 20 September.

Seminar on Party Building Work in Development Zones Held

*SK2009052094 Tianjin People's Radio in Mandarin
2300 GMT 18 Sep 94*

[Text] The fourth national seminar on party building work of development zones across the country was held in Tianjin Development Zone on 18 September. Responsible comrades of party organizations of 34 state-grade development zones, including Guangzhou and Dalian, attended the seminar. Zhao Zongnai, deputy head of the Organizational Department of the CPC Central Committee, Hu Ping, director of the Special Economic Zones Office of the State Council, Gao Dezhan, secretary of the Tianjin Municipal party committee, and other leading comrades attended and addressed the seminar. Fang Fengyou, member of the standing committee of the Tianjin Municipal party committee and director of the organization department, and Luo Yuanpeng, member of the standing committee of the municipal party committee and director of the propaganda department, and Vice Mayor Ye Disheng also attended the seminar.

This seminar concentrated on discussing ways to further strengthen the building of grass-roots party organizations of foreign-invested enterprises under the new situation of reform and opening up, and studying measures and methods for solving the major problems that foreign-invested enterprises have encountered in the course of building party organizations.

Gao Dezhan, secretary of the Tianjin Municipal party committee, pointed out at the seminar: Strengthening the building of party organizations of foreign-invested enterprises and giving full play to the role of party organizations are the new issues facing the party building work under the conditions of reform and opening up. Along with China's acceleration of the pace of reform and opening up, more foreign businessmen will make investments and run enterprises in China. Thus, strengthening leadership over the building of party organizations of foreign-invested enterprises has become more significant and important in the new period. Development zones are the places where foreign-invested enterprises are fairly concentrated. Conscientiously summing up and exploring new ideas and methods suitable for party building work of foreign-invested enterprises and deeply studying measures for strengthening and improving party building are of great significance in comprehensively strengthening party building under the new period and in doing a better job in party work of the development zones and foreign-invested enterprises. As the important windows opening

to the outside world and the forward bases, the development zones must not only exert efforts to do a good job in inviting business and introducing capital, developing projects, and building infrastructure facilities, investment environment, and spiritual civilization, but must also actively explore new ways for party building that comply with the characteristics of the development zones, continue to strengthen party building, enhance the fighting strength of the party organizations, and give play to the role of party members in an effort to guarantee the smooth development of opening up and all undertakings and to continue to promote economic development in the development zones and comprehensive social progress. In their speeches, Zhao Zongnai and Hu Ping pointed out: The promising development zones must have promising party building work. Party leadership is an important part of the intangible aspect of the investment environment. In party building work, the development zones should take Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and the party's basic line as the basic guiding principles. Development zones, which are special open zones, should make positive explorations in foreign-invested enterprises and sum up experiences. It is necessary to know how to study and absorb the outstanding achievements of human civilization and the progressive foreign culture, resist passive influence, build new enterprise culture and enterprise spirit in the development zones, and expand and enrich the connotation of party building of the development zones. Development zones should regard strengthening the building of grass-roots party organizations of foreign-invested enterprises and unceasingly enhancing the coverage rate of party organizations in the grass-roots level of foreign-invested enterprises as their major task, and should grasp it conscientiously and successfully. In party building work, we should also cultivate, pay attention to, and respect high quality economic professionals and realistically implement the party's basic line among them.

East China Newspapers' Representatives Meet in Shanghai

*OW1909025194 Shanghai WEN HUI BAO in Chinese
6 Sep 94 p 1*

[By reporter Sang Puquan (2718 2528 3123)]

[Text] The 14th Coordination and News Evaluation Meeting of East China's Nine Newspapers opened on 5 September in Shanghai.

Chen Zhili, deputy secretary of the Shanghai Municipal CPC Committee, and Jin Binghua, member of the municipal CPC Standing Committee and head of the municipal propaganda department, attended the opening ceremony and spoke at the meeting. On behalf of the municipal CPC committee and government, Chen Zhili extended greetings and expressed her welcome to representatives of news units from the central government and from other provinces and representatives who were specially invited to attend the meeting. She asked

them to convey heartfelt thanks to leading comrades from other provinces and municipalities as well as to those who work at the central government's news units who have long supported Shanghai. She said that the current meeting would be a good learning opportunity for Shanghai press circles and that the meeting would surely help develop Shanghai's journalism. Chen Zhili also gave detailed briefings to meeting participants on major efforts made by the municipal CPC committee and municipal government on reform, opening up, building spiritual and material civilizations, the current important tasks, and other relevant things. In his speech, Jin Binghua said it is a basic demand and a fundamental task for socialist journalists to follow Comrade Deng Xiaoping's theory as a basic policy and to guide readers with correct public opinions. He expressed the hope that meeting participants would exchange experiences and raise understanding on this point.

Wang Zheren, executive secretary of the All-China Journalists' Association, also spoke at the opening ceremony.

The current meeting is scheduled to last five days. Starting in the afternoon of 5 September, representatives from east China's nine newspapers and special representatives from the central government's news units and other provinces began to make extensive experience exchanges and in-depth discussion on topics ranging from implementing the guidelines set forth at the central conference on propaganda and ideological work to doing a good job on news coverage. People in charge of ZHEJIANG RIBAO, JIANGXI RIBAO, WEN HUI BAO, and JIEFANG RIBAO briefed meeting participants on their experiences of enhancing news commentary. They said they would use Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and party's basic line to guide the propaganda and ideological work and to excellently accomplish the glorious mission of guiding the readers with correct public opinions. They also agreed that the key to setting the direction for public opinion is to do a good job on commentaries. Commentaries are the soul of newspapers and can be compared to a clarion call for ideology. A good job done in this area is tantamount to correctly setting the direction of public opinion. In this respect, news commentators are entrusted with a heavy task.

Ding Ximan, chief editor of JIEFANG RIBAO, presided over the opening ceremony on 5 September. Feng Shinneng, secretary of the JIEFANG RIBAO party committee, delivered a welcoming speech for representatives and special representatives who came a long way to attend the meeting.

Beijing To Enhance Voluntary Community Service

OW1609120294 Beijing XINHUA in English 1116
GMT 16 Sep 94

[Text] Beijing, September 16, (XINHUA)—China is to enhance its voluntary neighbourhood community service, hoping to promote social morality and to make a

steady and overall social progress, said Yang Jianchang, a spokesman for the nation's Civil Affairs Ministry.

At a press conference held here today, the spokesman said that the Civil Affairs Ministry had issued a notice on enhancing voluntary neighbourhood community service early this year, requiring government at all levels to make greater efforts in the task.

The spokesman also said that the Civil Affairs Administration would award a number of collectives and individuals for their outstanding work in this drive.

The spokesman disclosed that the civil administration is planning to sponsor a series of activities like experience sharing conferences and evening parties to expand the influence of the activities.

"Up to now, the nation's major provinces and municipalities have established voluntary neighbourhood community service organizations with the volunteers totaling more than 3 million in the whole country. Those organizations not only provide social welfare service for the olds, the handicapped, and common citizens, but also provide logistic services for enterprises within the community," said the spokesman.

In addition, the spokesman called on people of the whole society to help mutually and voluntarily.

The spokesman also said that since the drive was first proposed in 1989, senior leaders of both the government and the party had always been paying close attention to it. In early 1993, the nation's 14 ministries including the Civil Affairs Ministry issued the "suggestions on speeding up the development of neighbourhood community service", giving the drive a forceful push.

Official Sues Beijing Hospice Owner for Libel

HK1709081494 Beijing CHINA DAILY in English 17
Sep 94 p 3

[By Liu Yinglang: "Official Sues Hospice Owner for Libel"]

[Text] A lawsuit involving Beijing's first hospice began on Thursday [15 September] in the People's Court of Haidian District.

Li Wei, the owner and manager of Songtang Hospice, was accused of libelling Zhang Wei, an official with the Bureau of Public Health in Haidian District.

Zhang is also suing the China Nongovernmental Science & Technology Entrepreneurs Association for having "damaged his reputation" by carrying an article entitled "Please give a hand to hospice" in its August 1993 bulletin.

The essay, written by Li, alleged that Zhang prevented the Songtang Hospice from applying for a practice licence.

Zhang claims that several parts of this publication are unfactual. Songtang Hospice, was founded in April 1992. The case is continuing.

'Amazing Improvement' in Urban Residents' Living Standards

OW1909175394 Beijing XINHUA in English 1607
GMT 19 Sep 94

[Text] September 19 (XINHUA) [dateline as received]—China has seen an amazing improvement in the living standards of its urban residents during the past 16 years.

Along with a continuous increase of income, Chinese urban residents have improved their living conditions in various fields, including foodstuffs, clothing, shelter and others.

According to the State Statistics Bureau, urban residents' average living expenditure per capita reached 2,111 yuan last year, a 120 percent increase over 1978 and showing an annual growing rate of 5.4 percent, three times that during the 26 years before 1978.

During the past few years the government has invested large sums of capital and labor into the construction of the country's residential sector, resulting in an upsurge of rows of apartments in different styles.

Statistics show that the average living space per capita for urban residents has increased from 4.2 sq m [square meters] in 1978 to the present 10.6 sq m, far ahead of the government's schedule.

In another development, urban residents' average annual expenditure on foodstuffs per capita amounted to 1,058 yuan in 1993, nearly five times the figure for 1978. Meanwhile, urban residents are paying more and more attention to nutrition and taste in their diet, with the proportion of meat, poultry, eggs and fish greatly increasing.

In addition, people no longer have to put up with dull-colored and outdated clothes but are beginning to wear the latest fashions, which are expected to show more individuality of people who wear them.

Latest surveys show that Chinese residents' expenditure on ready-made clothes has been continuously increasing while the expenditure on cloth gradually decreasing, and the total expenditure on clothing jumping more than six times during the past 16 years.

The improvement in urban residents' living conditions should be attributed to the government's effective measures to offer more job opportunities and its reform of the country's old salary system, which have led to a rapid growth in urban residents' incomes, the State Statistics Bureau said.

Figures indicate that urban residents' average annual income per capita has reached 2,237 yuan, 150 percent up on the figure for 1978, with an annual growth rate of 6.3 percent.

PR Firms Playing 'Increasingly Important' Role

OW1709190794 Beijing XINHUA in English 1339
GMT 17 Sep 94

[Text] Yinchuan, September 17 (XINHUA)—Though nonexistent only a decade ago, some 33,000 public relations companies are now busy in China, according to sources at a meeting on public relations being held in this capital of the Ningxia Hui Autonomous Region.

These public relations (PR) companies, employing about 700,000 people, are playing an increasingly important role in many spheres of life, including promoting the economic activities of enterprises, enhancing cultural ties, expanding relations with the outside world, and in helping with such important issues as the return of Hong Kong to China in 1997 and the restoration of China's contracting party status in General Agreement on Tariffs and Trade, participants at the meeting said.

The fast growth of public relations in China is usually seen as a result of the country's implementation of economic reform and the policy of opening to the outside world, and especially of the on-going drive to build a socialist market economy. But not only have organizations closely linked with economic activities realized the importance of the work of public relations, many government institutions have also set up PR offices to promote their work.

To meet the increasing need for public relations personnel, many schools of higher learning, secondary technical schools, vocational schools and spare-time schools have opened PR courses, and so far have enrolled more than two million students. This has helped raise the quality of PR workers.

Sports Minister Wu Shaozu Elected Chinese Olympic President

OW2009094694 Beijing XINHUA in English 0743
GMT 20 Sep 94

[Text] Beijing, September 20 (XINHUA)—Wu Shaozu, minister in charge of the Chinese Physical Culture and Sports Commission, was elected new president of the Chinese Olympic Committee (COC) here Tuesday [20 September].

At the COC's plenary session in Beijing, Yuan Weimin, Xu Yinsheng, Liu Ji, Zhang Faqiang, Lou Dapeng and Li Furong were elected as the COC vice-presidents.

Wei Jizhong still holds the post of the COC secretary-general.

Wu replaced He Zhenliang who was appointed as honorary president of the COC. He Zhenliang was re-elected as one of the members of the executive board of the International Olympic Committee earlier this month at the IOC's general session in Paris, France.

'Major Modern Documents' Published for 45th Anniversary

OW1609195594 Beijing XINHUA in English 1337 GMT 16 Sep 94

[Text] Beijing, September 16 (XINHUA)—A collection of major modern documents was published to commemorate the coming 45th anniversary of the founding of the People's Republic of China.

"Half of the documents and records have never been published before," said the editor-in-chief Zhang Cheng at a ceremony to mark the publication of ten volumes of the 18-volume collection here today.

The collection, containing seven million words, is claimed to include all the important and historic documents of the Communist Party, the state, the Standing Committee of the National People's Congress and the Army, important speeches, articles and records of historical significance drawn up by top leaders.

The whole collection will be completed by the end of 1996.

Zhang said the collection is "systematic, objective and true to history," involving the fields of politics, economy, military history, diplomacy, science and technology, education, culture, sports and public health.

"Both correct and erroneous documents and records are included, provided they have been decisive in the history of New China," he said.

He added that the collection is valuable for research into and study of the history of New China, and will help the nation's leaders to learn from China's own history on how to run the country.

The publisher, the Central Party Literature Publishing House, will also compile a historical collection of documents prior to 1978, when the country began its reform and opening up to the outside world.

National Invention Exhibition Ends in Shandong

SK1909073594 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 17 Sep 94

[Text] The 10-day eighth national invention exhibition has concluded satisfactorily in Qingdao. This exhibition was grand in scale and remarkable in results, arousing strong repercussion in society. On display were 1,300 inventions from 50 exhibition groups. A total of 100,000 people visited the exhibition and had trade talks. What is more gratifying is that this exhibition reached the best level in technology transaction among such exhibitions ever held. During this exhibition, 3,823 contracts on technology trade were signed, with the value amounting to 1.17 billion yuan.

Science & Technology

Wen Jiabao Addresses Scientists National Day Forum

OW1909011994 Beijing XINHUA Domestic Service in Chinese 1222 GMT 15 Sep 94

[By RENMIN RIBAO reporter Jiang Jianke (5592 1696 4430) and XINHUA reporter Tang Hong (0781 5725)]

[Text] Beijing, 15 Sep (XINHUA)—As National Day is approaching, the China Association for Science and Technology held a forum of scientists to mark the 45th anniversary of National Day. Over 20 scientists in the fields of science, engineering, agriculture, medicine, and so forth met to speak freely of China's achievements in science and technology over the past 45 years after the founding of the People's Republic. Wen Jiabao, alternate member of the CPC Central Committee [CPCCC] Political Bureau and member of the CPCCC Secretariat, attended today's forum and spoke.

First of all, on behalf of the party Central Committee and the State Council, Wen Jiabao paid high tribute to scientists and technicians working on all fronts across the country and expressed sincere thanks to them. He said we not only had achieved tremendous successes in science and technology, but had trained a large contingent of scientists and technicians and blazed a trail for scientific and technological development with Chinese characteristics in the past 45 years after the founding of the People's Republic and particularly in the 16 years after the implementation of reform and opening up.

At the forum, Wen Jiabao stressed: If we want to enable China's science and technology to achieve new, great development, we must conscientiously implement Comrade Deng Xiaoping's thought that science and technology are the primary productive forces; step up efforts to promote scientific and technological advance; deepen reform of the science and technology system to expedite close integration between the economy and science and technology; uphold the principle that "economic construction must rely on science and technology and scientific and technological work must be geared to the needs of economic construction"; seize the opportunity to accelerate development, achieve breakthroughs in certain crucial fields, and expedite economic construction; give play to the superiority of the socialist system, concentrate efforts, take concerted actions, and achieve breakthroughs at major points; and strengthen the building of a contingent of scientists and technicians and make vigorous efforts to bring up leaders in various branches of learning who will work in this century and the next.

At the forum, Zhu Guangya, Zhou Guangzhao, Wang Dezhaoh, Chen Keji, Li Qibin, Feng Changgen, and other scientists exchanged their impressions of the scientific and technological achievements scored in the past 45

years after the founding of the People's Republic, prospects for various branches of learning, and current issues.

Agro-Scientist Develops New Fertilizer

OW1909082294 Beijing XINHUA in English 0642
GMT 19 Sep 94

[Text] Jinan, September 19 (XINHUA)—A Chinese agro-scientist from east China's Shandong Province has developed a new fertilizer which is said to have all trace elements needed for crops.

Trial application of the fertilizer, which is now a state patented product, in the province proves that it can raise the output of crops by great margins, improve the quality of farm produce and enhance the resistance of crops against diseases and natural disasters.

The fertilizer, called "Quanyuan (full trace elements) fertilizer," was developed by Yang Fucheng, aged 66 and a Taiwanese. It was also proved as non-toxic and pollutant free. The fertilizer has been regarded by the Chinese Academy of Sciences as "new fertilizers sources" of great value.

Recently, local departments of farming and chemical industry and the high-tech development zone of Jinan, provincial capital of Shandong held a joint meeting calling for a wide application of the fertilizer.

In Shandong Province, more than a dozen counties have used the new fertilizer and found the output of grain and cotton raised by more than 20 percent, and that of vegetables, by 30 percent. The increase for fruits and tobacco was almost 50 percent. Officials said local farmers earned more than 200 million yuan from the increased output.

Arid Agricultural Training Course Concludes in Xian

OW1709172794 Beijing XINHUA in English 1552
GMT 17 Sep 94

[Text] Xian, September 17 (XINHUA)—An international training course in agriculture on arid land concluded today in Yangling Town, in northwestern China's Shaanxi Province.

The 20-day course covered a series of topics centering on dry-area agriculture, such as soil utilization, and plowing and fertilizing techniques.

The trainees, seven from abroad and five from China, also made on-the-spot investigations at a number of experiment stations in the province.

The foreign trainees came from Chile, Ethiopia, Mongolia, Thailand and the United Nations Environmental Program.

It was the third time that the town, a major agricultural research center in China, has held international training courses; the first two dealt with water and soil preservation.

Military

Liu Huaqing, Zhang Zhen at Seminar on 1894 War

HK1909100294 Beijing JIEFANGJUN BAO in Chinese
18 Aug 94 p 1

[By reporter Si Yanwen (0674 1750 2429) and special correspondent Jiang Rubiao (3068 3067 2871): "Vice Chairman Liu Huaqing Stresses Need To Bring Forward Patriotism, Build and Consolidate Coastal Defense"]

[Text] This morning, Central Military Commission [CMC] Vice Chairman Liu Huaqing attended a seminar held by the Navy to commemorate the 100th anniversary of the Sino-Japanese War of 1894. In his speech, he stressed the need to sum up and learn from historical experience, publicize patriotism, firmly establish the concept of national defense throughout the whole nation, strengthen coastal defenses and navy building, and strive to provide a powerful and safe guarantee for socialist modernization.

CMC Vice Chairman Zhang Zhen of the Central Military Commission also attended the seminar. Navy Commander Zhang Lianzhong [1728 6647 1813] delivered the opening address.

In his discussion of the significance of commemorating the 1894 Sino-Japanese War, Liu Huaqing said that the outbreak of the Sino-Japanese War in 1894 is an important event in modern Chinese history. We are commemorating the war today because we do not want to forget the disgrace suffered by our nation, because we want to draw revelations and useful lessons from historical experience in order to advance our modernization program. Chairman Jiang Zemin has repeatedly urged us to study modern Chinese history. Through the study of history, he hopes that we can acquire a profound understanding of the past and a correct grasp of today, and make a better stride into future.

Liu Huaqing pointed out that the Sino-Japanese War of 1894 taught us an important lesson; that is, that we must pay attention to the modernization of national defense. The reinforcement of national defense is a fundamental guarantee for national sovereignty and security. The outcome of the 1894 War had a profound impact on the historical course of China. It also told us in yet another way that security is a prerequisite for national development. In addition to the political corruption and incompetence on the part of the Qing court, a fundamental reason for China's defeat in the 1894 War was the economic and political backwardness of the regime. He who is backward deserves to be beaten. This is an important conclusion we have drawn from the 1894 War

and from the history of modern China as a whole. Past experience, if not forgotten, provides a guide for the future. It is true that we now live in a relatively peaceful period, but the world is not at all quiet, as hegemony and power politics still exist, and the major powers have not abandoned their defense construction just because the Cold War has been brought to an end. They are readjusting their military strategies and constantly upgrading their weapons and equipment. Following the rapid development of science and technology, modern warfare has undergone substantial changes and has shown numerous new characteristics. We should see that the weaponry and equipment of our Armed Forces are still at a low level of modernization and lag considerably behind the standards achieved by the advanced countries. We must pay attention to qualitative improvements in our forces and raise their self-defense capability in light of changes in the global military situation.

Liu Huaqing highly praised the great patriotism demonstrated by the Chinese people during the 1894 War. He said: In building modern national defense, it is particularly important that the people of our different nationalities all demonstrate their patriotic spirit. The 1894 War was a large-scale war against aggression in the history of modern China. Patriotic officers and men represented by Deng Shichang, captain of the warship "Zhiyuan," defied death to battle against the enemy and had the courage to die with the enemy. This kind of lofty national integrity and death-defying heroism will always deserve our respect and emulation. Patriotism is a great banner, an enormous spiritual force. Today, under the new situation of speeding up reform and opening up, when all energies are pooled in an effort to advance socialist modernization, we should continue to energetically promote the spirit of patriotism. We must unfold education on patriotism, firmly establish the concept of national defense among all nationalities, and further strengthen the rallying force of the nation. Our armed force units must be prepared for danger in times of peace; be alert at all times; always maintain a high level of vigilance; effectively discharge their sacred mission; defend the sovereignty of China's territorial land, air space, and sea, as well as its maritime rights and interests; safeguard the unity of their motherland; and strive to provide a powerful and safe guarantee for socialist modernization.

This seminar has "The Sino-Japanese War of 1894 and China's Coastal Defense" as its main theme. Liu Huaqing said that it is important that we draw lessons from history and concentrate efforts on exploring ways of strengthening China's coastal defense construction. History tells us that whether or not we have a maritime concept and pay attention to coastal defense construction has an important bearing on the rise and fall of our country and nation. We must understand the ocean from a high strategic plane and devote major efforts to strengthening the maritime concept of the whole nation. We must, in line with the requirements of the Chinese

Constitution, safeguard the maritime rights and interests and the maritime security of our country, and build a strong coastal defense.

Liu Huaqing pointed out that through the efforts of several generations, the Chinese Navy has achieved gratifying results in equipment and field development, personnel development, training, and other respects over the past decades. However, we are still unable to meet the needs of the new situation. We should recognize that local sea battles which may break out in the future will be battles fought under high-tech conditions. Comrades of the Navy must take warning from the lessons of history and have a strong sense of mission. Comrade Mao Zedong pointed out in the early 1950's that we must build a strong Navy. In the 1970's, Comrade Deng Xiaoping said that our naval forces must "serve the purpose" and must have the ability to fight offshore battles. Chairman Jiang Zemin also put forward requirements regarding navy building. While commemorating the 100th anniversary of the Sino-Japanese War of 1894, it is hoped that the Navy will make concerted efforts with one heart and one mind, valiantly press ahead, quicken the pace in strengthening combat awareness, and do a better job in building the People's Navy.

The present seminar on the commemoration of the 100th anniversary of the Sino-Japanese War of 1894 was jointly sponsored by the China Military Science Society and the Navy's Military Science Research Committee at the initiation and under the concern of Vice Chairman Liu Huaqing.

Two eye-catching inscriptions written by Vice Chairman Liu Huaqing and Vice Chairman Zhang Zhen were placed on both sides of the rostrum. Liu Huaqing's inscription read: "Commemorating the 100th anniversary of the 1894 War, Promoting the Spirit of Patriotism." Zhang Zhen's inscription read: "Bring Forward the Patriotic Spirit of the 1894 War, Strengthen Awareness of the Importance of Coastal Defense."

Attending today's seminar were the leaders of the three headquarters Wu Quanxu, Zhou Ziyu, and Zhou Youliang; senior consultants Li Dezheng [2621 1795 3932], Guo Linxiang [6753 2651 4382], Liang Biye [2733 1801 2814], Zheng Wenhan [6774 2429 5060] and Jiang Shunxue [5592 7311 1331]; Vice Chairman Zhang Xusan [1728 1645 0005] of the China Military Science Society; Political Commissar of the Navy Zhou Kunren [0719 0981 0088]; and leading comrades from the 2d Artillery and the University of National Defense.

Experts and scholars in relevant fields both inside and outside the Army, as well as representatives of naval organs, institutions and units of the Armed Forces, also attended and spoke at the seminar.

Zhang Wannian Addresses Army Management Conference

OW1909010894 Beijing XINHUA Domestic Service in Chinese 1136 GMT 14 Sep 94

[By correspondent Zhang Dongwen (1728 2639 2429) and reporter Ma Xiaochun (7456 0879 2504)]

[Text] Beijing, 14 Sep (XINHUA)—Addressing the national Army management work conference today, Zhang Wannian, member of the Central Military Commission and chief of the General Staff, emphasized that to promote all-round development of the Armed Forces and improve management under the new situation, it is of foremost importance to do a good job in the management of cadres and men and to put greater emphasis on education and training. The starting point and the ultimate goal of management work are to enhance the military's cohesion and strengthen its combat effectiveness. We must make real progress in the training of modern management personnel.

Zhang Wannian pointed out: In promoting personnel training as part of army management work, it is of fundamental importance to arm the broad ranks of cadres and men with Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and his concept of army-building in the new period, to enhance their political steadfastness, and to increase their awareness of the need to firmly carry out the party's basic line. It is also necessary to educate them on the need to foster a correct outlook on the world, life, and values; make them understand the basic rules of conduct; enhance their ability to study on their own and to exercise self-control; and help them develop a correct approach to look at and deal with the contradictions and problems in real life. We must also create better educational conditions and provide assistance for cadres and men to study politics, military affairs, general knowledge, and other skills so that they will acquire the skills needed for defending the country and building the motherland. It takes skilled personnel to manage; in turn, management develops skilled personnel. By focusing on training, management work will not only help improve troop management but also bring up modern management personnel in large numbers. This is very important for both army-building and national construction.

Zhang Wannian said: The fine tradition of our Army—which was formed during the long years of revolutionary struggles and construction and embodies the nature and objectives of the people's army—gives us special strength to manage our troops well. We must carry forward and promote this tradition under new historical conditions. To do a good job in troop management, first of all, we must earnestly study our traditions and familiarize ourselves with their main contents and basic guidelines; second, we must make constant efforts to study new circumstances and get to know the men better; and third, we must integrate the fine traditions with the new circumstances and, in the process, explore new contents and forms suited to the new circumstances and develop approaches and methods for solving new problems so that our work will fall behind the development of the times.

Zhang Wannian urged leading cadres and organs at all levels to devote their energies to implementation. They must exercise strong and effective leadership on the one

hand and, on the other, set a good example in strictly abiding by discipline and fostering good standards of conduct in the barracks.

Commentator Urges Party Branch Building

*HK1909065494 Beijing JIEFANGJUN BAO in Chinese
23 Aug 94 p 1*

[Commentator's article: "Do a Good Job of Grasping Functionary Organs' Party Branch Building"]

[Text] Since the 14th CPC Congress, the whole Army has earnestly implemented the spirit of the instructions of the Central Committee and the Central Military Commission on augmenting party building; as a result, a pleasing situation has surfaced in Army party building. The promulgation and implementation of the "Program for Army Grass-Roots Building" has enabled the continuous elevation of the general level of grass-roots party branch building and has vigorously promoted the all-round building of grass-roots units. At the same time, it has also posed new requirements on functionary organs at various levels in their ideological style and professional building. To meet the needs of this situation, it is imperative to earnestly do a good job of functionary organs' building. To achieve this, it is imperative to do a good job of grasping functionary organs' party building.

The duties of functionary organs' party branches, as grass-roots organizations of the party in Army functionary organs, are to conduct the party's ideological and organizational work to insure the fulfillment of various tasks of functionary organs under the leadership of superior party organizations. Their duties are not exactly the same as companies' party branches; however, by no means does this signify that functionary organs' party branch building can be relaxed a bit. Functionary organs' party branches are the organizers of the political study of cadres who are party members in various organizations; administrators and supervisors in party members' ideological, organizational style and discipline building; and assistants in doing a good job of grasping functionary organs' professional building. Experiences has proved that the performance of functionary organs' duties and the role that they play are inseparable from the level of organs' party branch building. Only when a good job is done in grasping functionary organs' party branch building will it be possible for leading organs, which play the role of staff and assistants to Army party committees and commanders as well as work command centers, will be given full play, and the augmenting of grass-roots building and the building of the whole Army will be guaranteed on firm ground. We should have a full understanding of the utter importance of augmenting functionary organs' party branch building from the angle of leading organs' functions and place, of the implementation of the strategic principles of the Central Committee and Central Military Commission, and of the overall situation of augmenting Army quality building and elevating the Army's combat effectiveness.

To do a good job of grasping functionary organs' party branch building is all the more imperative and pressing today. Generally speaking, the situation of party branch building of functionary organs at various levels is fine, and new progress has been made continuously in recent years. However, we should also see that some units fail to pay enough attention to functionary organs' party branch building, and a small number of cadres who are party members in some functionary organs have various problems in ideology, style, and discipline. Should we fail to resolve these problems, leading organs' prestige and work implementation will be affected. In giving guidance to the troops, leading organs mainly rely on two points, namely, presenting sound advice and setting a good example. Only then can leading organs enjoy prestige and will the instructions they give be authoritative. Some comrades have reflected that problems have surfaced in the grass roots, but the root cause lies with leading organs. There is some truth to this point. To augment functionary organs' party branch building is precisely to resolve this fundamental issue.

To augment functionary organs' party branch building, it is necessary to center around the Army's key work in different periods. Presently, it is necessary to focus on doing a good job of grasping ideological style and discipline building, and to genuinely make functionary organs an example to the troops in every aspect. To achieve this, it is necessary to organize the broad cadres who are party members in functionary organs to study in depth Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, the 14th CPC Congress report and the "Party Constitution", related documents and instructions of the Central Committee and the Central Military Commission, and do a good job of education in party members' awareness of the vanguard, as well as education in organs' functions. It is imperative to further firm up political faith, consciously maintain high unanimity with the Central Committee and Central Military Commission ideologically and politically, and brace up revolutionary spirit, refrain from seeking fame and wealth, work diligently, and be enthusiastic about making progress. It is imperative to set an upright work style, and regard giving guidance and rendering service to the grass roots and doing a good job of work implementation as the guiding thinking and basic requirements on functionary organs' work. It is imperative to augment the sense of discipline, take the lead in observing the law and discipline, maintain uprightness and honesty, correctly wield and use power, and stand the tests of "money, power, and pretty women." In this way, party members' concept of party spirit will be basically augmented, their theoretical cultivation and ideological and policy level will be elevated, and a solid ideological foundation for doing a good job of functionary organs' work will be laid.

Doing a good job of administrating cadres who are party members is an important task for functionary organs'

party branches. It is necessary to base on the characteristics of functionary organs' work, proceed from completing and perfecting organizations, implementing the institution of party organizational life, elevate the quality of party life, and strengthen ideological quality, a sense of principle and militancy so that every party member will be placed under the education, administration, and supervision of the party organization. In particular, leading cadres who are party members should adhere to the dual-party organizational life system, and consciously accept the supervision of functionary organs' party branches and the broad party members as well. Major leading comrades should take the lead in playing an exemplary role and should support the work of functionary organs' party branches with practical actions.

Party committees at various levels should earnestly put functionary organs' party branch building on important agenda and persist in simultaneously grasping functionary organs and grass-roots units, while doing a good job of unifying the two aspects. Conditions in grass-roots units should be constantly used as a mirror to reflect problems which exist in functionary organs, thus helping find weak links in party branch work. It is necessary to analyze the situation of functionary organs' party branch building at regular intervals to discover and promptly resolve problems. By linking them to implementing the "Program," every one should be stimulated to create advanced party branches and vying to become fine party members in order to continuously elevate functionary organs' party branch building to a new level.

Air Force Sees Age, Education Changes in Leaders

OW1509133894 Beijing XINHUA Domestic Service in Chinese 0811 GMT 12 Sep 94

[By reporter Sun Maoqing (1327 5399 1987)]

[Text] Beijing, 12 Sep (XINHUA)—Air Force leading bodies at all levels have shown gratifying changes in age and education. A group of cadres in the prime of their lives have assumed leadership posts, becoming the "leading wild geese" of People's Air Force units that fly into the new century.

Air Force leading bodies in various military regions and districts now consist of cadres who are around 50 years old. The average age of corps-level leaders in major units is 49. Those who are about 45 years old account for 40.5 percent of these leaders, and those with a college or more advanced degree account for 90.7 percent. The average age of division-level leaders is 44.2, and 97.2 percent of them have a college or more advanced degree. Each combat regiment has one to two cadres under 35 years of age in its leading body. All these cadres have college or more advanced degrees.

According to data provided by Air Force leading organs, these cadres include outstanding commanders who have

led their troops in performing meritorious deeds for several years in a row, daring generals who have boldly assumed heavy responsibilities in less advanced units and led their troops in turning over a new leaf, models of hard work and honesty, and "blue-sky pacesetters" who have bravely reformed education and training methods to open up new avenues for army modernization.

It has been disclosed that in recent years, the Air Force and its counterparts in various military regions have jointly sent more than 150 working groups to evaluate all Air Force leading bodies at the corps, division, and combat regimental levels, and to carefully select excellent young cadres as cross-century leaders in an effort to bolster leading bodies at all levels. In training cross-century cadres, Air Force party committees at all levels have pursued the following courses of action: 1) earnestly implementing the principle of "providing application-specific training," sending outstanding young cadres to schools for further studies and assigning them to jobs for which their training is intended after graduation; 2) boldly promoting young cadres to senior officers' positions of heavy responsibility; 3) implementing a system of two-way exchanges for training between organizations and troops; 4) sending cadres, as appropriate, to units in regions with harsh conditions and to less advanced units to temper them; and 5) putting cadres to the test of urgent, difficult, dangerous, and heavy missions.

Meeting Marks Mao's Speech Delivery Anniversary

OW1509125594 Beijing XINHUA Domestic Service in Chinese 1122 GMT 8 Sep 94

[By RENMIN RIBAO reporter Guo Jia (6753 0857) and XINHUA reporter Chen Hui (7115 6540)]

[Text] Beijing, 8 Sep (XINHUA)—A commemoration meeting marking the 50th anniversary of Comrade Mao Zedong's delivery of his "Serving the People" speech and the sacrifice of Comrade Zhang Side was held at the Beijing Garrison Command today. Veteran soldiers who heard Comrade Mao Zedong make his "Serving the People" speech then joined the new generation of officers and men of the guard unit in cherishing the memory of Comrade Zhang Side's outstanding achievements and in freely discussing the important significance of the brilliant thought of serving the people under the new situation brought about by reform and opening up and the establishment of a socialist market economic system. They all vowed to carry forward the spirit of Zhang Side from generation to generation.

Before his death, Zhang Side, a guard with the unit directly under the then Central Garrison Regiment—formerly a regiment of a Beijing Garrison Command division—joined the Red Army in 1933 and was unfortunately sacrificed while burning charcoal in Ansai County, Shaanxi, on 5 September 1944. On 8 September the same year, Comrade Mao Zedong delivered his famous speech at the Zhang Side memorial meeting.

From then on, Zhang Side has become an everlasting monument in the hearts of the people and the spirit of serving the people wholeheartedly initiated by Chairman Mao has become the action guideline for Communists and revolutionary soldiers.

During the commemoration meeting, General Gu Shangling, political commissar of the Beijing Military Region, first read out the inscriptions written by Military Commission Chairman Jiang Zemin and its Vice Chairmen Liu Huaqing and Zhang Zhen.

Addressing the meeting, Chen Xitong, a member of the CPC Central Committee Political Bureau, Beijing Municipal Party Committee secretary, and first secretary of the Beijing Garrison Command, said: Mao Zedong's brilliant thought of serving the people and the deeds of Zhang Side have motivated people of several generations in pursuing a great ideal and cause. Reform and opening up is a brand new cause; and in fighting for the realization of this lofty ideal, we need to promote the spirit of serving the people—to the extent of even sacrificing ourselves—and wage struggle in unity. In times of difficulties, we should keep success within our vision and see the bright side to heighten our courage.

In his speech, Zhou Ziyu, deputy director of the General Political Department, pointed out: The bottom line in learning and carrying forward the spirit of serving the people wholeheartedly is to arm ourselves with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and enhance our self-awareness and determination in implementing the party's basic line. Another important point in learning and carrying forward the spirit of wholeheartedly serving the people is to educate the vast number of officers and men in fostering a correct outlook on life and value concepts and preserve forever the original political characteristics of the people's army. What we can readily do in learning and carrying forward the spirit of serving the people wholeheartedly is to seek professional success in our own workplace and contribute ourselves to the modernization of our force. Learning and carrying forward the spirit of serving the people wholeheartedly is a long-term mission for army-wide ideological construction. In this respect, the unit to which Comrade Zhang Side was attached before his death should particularly take the lead.

Gu Yuanxing, leader of Zhang Side before his death and former deputy director of the Central Guard Bureau, introduced Zhang Side's glorious deeds and the occasion when Comrade Mao Zedong delivered his "Serving the People" speech.

On behalf of the new generation of guards, Li Shengtang, commander of a Beijing Military Region division, pledged to take Zhang Side as a model to continue adding new chapters to serving the people under the new situation.

Also attending the meeting were leading comrades of the Communist Youth League Central Committee and the Society for the Study of the "Yanan Spirit."

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Military Makes New Progress in Troop Management

OW1909030494 Beijing XINHUA Domestic Service in Chinese 0245 GMT 12 Sep 94

[By reporter Ma Xiaochun (7456 2556 2504) and correspondent Bai Lu (4101 6424)]

[Text] Beijing, 12 Sep (XINHUA)—From an all-army management work meeting held in Beijing, this reporter has learned that all military units have carried forward their good traditions, have managed the troops strictly according to the law, and have improved their management work yearly.

Over the last few years, with Deng Xiaoping's thinking on troop building in the new period, all military units have earnestly carried out Jiang Zemin and other Central Military Commission [CMC] leaders' instructions on managing the troops strictly according to the law, and have accomplished a great deal of fruitful work in accordance with the requirements of the new situation, effectively boosting the armed forces' efforts to make the troops more revolutionary and to modernize and regularize the troops. All military units have regarded strict management as a basic task to strengthen the troops' solidarity and to improve their combat capabilities; have improved troop organization and strengthened leadership over their troops; have conducted investigations and studies on new developments and problems; have actively explored new ways to manage the troops in the new situation; and have summed up many effective troop-management experiences. Especially since the beginning of this year, all military units have earnestly carried out the guidelines laid down by the CMC's expanded meeting; and, in accordance with relevant rules and regulations and the "Guidelines for Troop Building at the Grass-Roots Level," and starting from studying and solving problems concerning troop management in the new period, have established a good practice of devoting efforts to leading and managing troops, which has been rarely seen in many years. The advanced experiences recounted by 16 units at the meeting demonstrate the fruitful results all military units have achieved since the beginning of this year in managing troops strictly according to the law.

With their efforts to manage troops strictly and according to the law, military units have widely raised their regularized management levels, thus improving their combat capability. More than 90 percent of the armed forces' grass-roots units now have basically met the requirements set in relevant rules and regulations; 95 percent of the regiments and companies have reached the standards of weapons and equipment management; discipline violations have reduced among troops; deaths caused by accidents attributable to administrative problems have been kept under 1.6 in every 10,000 persons for three years straight; cities' garrison work has been strengthened; and military units have made positive contributions to maintaining discipline among the

troops and to assisting localities in maintaining social order. All these have played an extremely important role in ensuring a high degree of stability and unity of the troops; in ensuring the troops' combat readiness; in ensuring the successful accomplishment of training tasks, of scientific research and experimental work, of the task of supporting the country's economic construction, and of other tasks; in ensuring the troops' developments in all areas; and in ensuring the troops' solidarity and combat capability. A large number of advanced management units have emerged from among the troops, and 70 divisions and brigades have been commended by the general departments of the People's Liberation Army.

Guizhou Military Industries Move Into International Markets

HK2009052394 Beijing XINHUA Hong Kong Service in Chinese 0239 GMT 29 Aug 94

[By reporters Long Wenbin (7893 2429 1755) and He Tianwen (0149 1131 2429): "Guizhou's Military Industrial Enterprises Move Into the International Market"]

[Text] Guiyang, 29 Aug (XINHUA)—Depending on the strong points of their equipment, technology, and groups, the military enterprises in Guizhou, which is located in the southwest of China, are energetically developing high-quality civilian products for competition in the international markets. These enterprises have attracted greater and greater attention from enterprises in the same industries at home and abroad.

According to Mr. Lei Xun, director of the Guizhou Provincial National Defense Science and Technology Industry Office, at the 1993 International Exposition on Converting Military Industrial Enterprises to Civilian Production in China held in Hong Kong in July last year, Guizhou's military industrial enterprises independently organized over 100 civilian products for the exposition. These products were spoken highly of by international public opinion and they were regarded as "popular and useful." At the exposition, Guizhou's military industrial enterprises and foreign businessmen reached agreements on the supply of goods amounting to nearly \$100 million.

Lei Xun said: Of the civilian products they turn out at present, more than 60 kinds, mainly mechanical and electrical products and tools, are exported to over 70 countries and regions of the world. They earn over \$50 million a year, accounting for about 20 percent of the total output value of civilian products.

Guizhou's military industrial enterprises, represented by the aviation, astronautics, and electronic scientific research and production bases, possess various branches of technology and advanced equipment and have a great capacity to provide auxiliary items. Following opening up to the outside world and the readjustment of the national economy in the early 1980's, military industrial

enterprises moved into the main battlefields of economic construction. Using military industrial technology for peaceful purposes to benefit the society and human beings has become the major task of military industrial enterprises.

To meet the needs of reform, opening up, and development, Guizhou's military industrial enterprises, beginning from the middle of the 1980's, have invested nearly 1 billion yuan and adopted the method of integrating introduction with transformation to readjust the industrial set-up and product mix. They have completed 120 technology and equipment introduction projects and nearly 200 technical transformation projects. They have also built over 150 new production lines for civilian products and have developed more than 600 products. They are becoming more and more technology-intensive and are turning out more and more high-tech products.

Lei Xun said: At present, Guizhou's military industrial enterprises are speeding up the process of convergence with the international markets through various forms. They have set up more than 150 "window" enterprises in more than a dozen provinces, municipalities, and special economic zones in the eastern part of China and along the coast, including Beijing, Shanghai, Guangdong, Jiangsu, and Zhejiang. These "window" enterprises turn out products directly and also act as "bridgeheads" for establishing economic and technological ties with foreign countries. They have played a positive role in enhancing how military industrial enterprises develop toward the international markets.

According to statistics, at present, Guizhou's military industrial enterprises have already established economic and technological ties with more than 70 countries and regions in the world and have set up nearly 100 joint venture enterprises with them. Last year, the gross output value of Guizhou's military industrial enterprises was 6.047 billion yuan, of which civilian products accounted for 80 percent.

General Political Department Urges Party Branch Building

HK1909055894 Beijing JIEFANGJUN BAO in Chinese 23 Aug 94 p 1

[By Tang Wu (0781 2976): "General Political Department Calls For Giving Prominence to Functionary Organs' Party Branch Building"]

[Text] To implement the instruction of the Central Military Commission on "exerting efforts to grasp the building of functionary organs' party branch building," the People's Liberation Army General Political Department issued a circular on 19 August, requiring party committees at and above regiment level, especially party members at and above army level, to give prominence to grasping functionary organs' party branch building by the end of the year.

The circular indicates that leading functionary organs at various levels are the staff and assistants of party committees and commanders and the commanding center of work and that the conditions of functionary organs' building are decided, to a large extent, by whether their party branches are strong or weak. In recent years, party committees at various levels have earnestly implemented the principle of "strictly administrating the party" and have scored new progress in augmenting Army party building and attaching importance to doing a good job of grasping work in this aspect. Viewing the whole situation, however, functionary organs' party branch building seems to be comparatively weak. Party committees at all levels should grasp work in this aspect as an important link in augmenting Army party building and should have a very clear picture of the utter importance and necessity of augmenting functionary organs' party branch building under the new situation from the angle of strengthening Army quality building and elevating the Army's combat effectiveness.

The circular aims at existing problems in party branch building in some functionary organs, and stresses the need to exert focal efforts on augmenting study and education in ideology, style and discipline, and further rectify the atmosphere of functionary organs in accordance with the requirements of "firming up political faith, bracing up revolutionary spirit, strengthening the sense of discipline, and maintaining uprightness and honesty." At the same time, it is imperative to further forge healthy and complete functionary organs' party organizations, be strict with various inner-party life institutions, give full play to the organizational role, and do a good job of administrating party members and cadres.

The circular requires that party committees at all levels must earnestly augment leadership in functionary organs' party branch building, and party committee secretaries and their deputies must grasp work personally and give focal help in rectifying those functionary organs' party branches that have comparatively more problems. It is imperative to firmly grasp the key link of study and education, organize party members to study in depth Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, and do a good job of education in the consciousness of party members as the vanguard, as well as education about organs' functions to basically augment party members' party spirit concept. It is imperative to implement the spirit of "rectification," do a good job of bringing out contrasts through self-criticism and democratic assessment through democratic discussions, and commend the advanced in a big way, while criticizing and helping those party members who are relatively more problematic.

Economic & Agricultural

Beidaihe Meeting Discusses Problems of State Enterprise

HK1709020894 Hong Kong MING PAO in Chinese 19 Aug 94 p A2

["Special report" by Lin Yung (2651 3057): "Beidaihe Meeting Decides State-Owned Enterprises Running in

the Red Can Only Be Closed Down, Merged With Others, or Shifted to Other Lines of Production"]

[Text] According to reliable sources, at the economic work meeting in Beidaihe which has just concluded, the top Chinese decision-making body decided on whether to carry out "blood transfusions" to rescue large and medium-sized state-owned enterprises bogged down in a predicament in the course of market-oriented economic reforms. It was decided that such enterprises can only be handled by means of "closing down, suspending operations, mergers, or shifting to other product lines." This would make large and medium-sized state-owned enterprises adapt themselves to the needs of the market. The decision shows that Vice Premier Zhu Rongji remains at the helm of economic reform.

The so-called "closing down, suspending operations, merger, and shifting to other product lines" refers to closing down enterprises operating in the red, suspending their operations in order to carry out rectification and reorganization, merging them with other enterprises in a healthy operational condition, or shifting them to other products lines or other industries.

Since China began to pursue a market economy policy, many large and medium-sized state-owned enterprises have been operating in difficult conditions. Since macrocontrol and financial retrenchment were carried out last year, many enterprises have been forced to suspend their operations. Workers in such enterprises can only receive a very limited amount of money as subsistence wages or even nothing at all. Such a situation has caused heavy pressure on the government.

Last month, a couple working at a bicycle plant in Handan City, Hebei, committed suicide in the face of their hopeless livelihood situation and left a two-year-old child. Fellow workers were shocked at the event, and thousands of them staged demonstrations against the city government demanding that the government solve difficulties in their livelihoods. Reportedly, three similar events occurred in Handan in recent months, and tens of thousands of workers were involved in demonstrations.

It was said earlier that the central authorities were ready to conduct "blood transfusions" on enterprises mired in financial difficulties. However, at a recent economic work meeting in Beidaihe, decisionmakers found that unreasonable industrial structures and product lines were the main causes of enterprises' problems, and "blood transfusions" would not resolve these problems at all. A report submitted by the State Commission for Restructuring Economy pointed out that large and medium-sized state-owned enterprises mired in the recession could not effect a fundamental turn for the better within two to three years.

The top leadership hopes that enterprises in recession will be able to gradually adapt themselves to the needs of the market economy under the retrenchment policy. Take the production of television sets as an example. At

present, China's annual television production capacity is 20 million sets, but only 12 million sets are sold each year. The authorities hope that through market competition, enterprises producing unmarketable products will be eliminated. The top leaders have found that they have to stand firm against social problems caused by "closing down, suspending operations, merging with others, and shifting to other product lines." In addition, they have tried to mitigate social pressures by means of curbing inflation and improving the social security system.

Reportedly, the state will be very prudent in providing loans for state-owned enterprises in the second half of this year. In localities, loans will be personally decided by mayors or principal executives at the same level, and the amounts will be very limited. In Beijing Municipality, a trade, whose output value and profits rank top among other trades, was given a credit line of just 30 million yuan, even though there are hundreds of enterprises and over 100,000 workers in this trade. If an enterprise tries to get a loan, its manager have to promise that business losses will be stopped within a time limit or a corresponding amount of profit handed over. It is not easy for some profitable enterprises to actually acquire loans beyond the "quotas," and they have had to seek assistance from some "tough" connections.

Some scholars in Beijing say that the recent policy decision by the central authorities shows that between "unemployment" and "inflation," the central authorities have chosen to allow the existence of unemployment to check inflation. This may affect the rate of economic growth and social stability, but will have a positive impact on optimizing the long-term socioeconomic structure and promoting the rapid establishment of an improved social security system.

State Council Approves Three Gorges Development Zone Area

HK1609150894 Beijing ZHONGGUO XINWEN SHE
in English 1132 GMT 15 Sep 94

[Text] Chengdu, September 15 (CNS)—The State Council has recently approved the Three Gorges Project area as an economic development zone in which special policies now being implemented in other economic development zones in the country's coastal areas will be followed.

Due to historical reasons, economic development in the Three Gorges Project area has been comparatively slow for a long time. As construction of the Three Gorges Project started, the speeding up of opening this area to the outside world and the accelerating of its economic development is of great importance to the resettlement of residents there as well as to the construction of this water conservancy project.

The newly set-up Three Gorges economic development zone covers seventeen cities and counties in Hubei and Sichuan provinces including counties of Wushan, Wuxi,

Fengjie, Yunyang, Kaixian, Zhongxian, Shizhu, Fengdu, Wulong, Changshou, Jiangbei and Baxian and Jiangjin City in Sichuan Province and counties of Yichang, Zigui, Xingshan and Badong in Hubei Province.

Meanwhile, the State Council has also endorsed Sichuan's Wanxian City and Fuling City and Hubei's Yichang City as opening cities along the Yangtze River. The above-mentioned policies will also be implemented in these cities.

Progress Made in Three Gorges Project's Resettlement Work

OW1909025994 Beijing XINHUA Domestic Service in Chinese 0930 GMT 12 Sep 94

[By reporter Shi Yongfeng (2457 0516 1496)]

[Text] Yichang, 12 Sep (XINHUA)—Breakthrough progress has been made in resettling people from areas around the Three Gorges Project dam. To date, 9,448 people, or 77 percent of those awaiting resettlement, have been relocated from the 15.28-km square area designated for the Three Gorges dam; and 21,400-mu land, or 93.4 percent of the land to be requisitioned, has been turned over to the Three Gorges Project.

Large-scale resettlement of people from areas around the Three Gorges dam was begun in the latter half of 1993. Following gradually intensified preparations for the construction of the Three Gorges Project, and to set the stage for the event, governments at all levels of localities around the dam have decided to "handle special matters in a special way." They have focused on resettlement work and land requisition, and ensured that resettlement progresses as required by the project. Since the second quarter of this year, we have begun excavating work for the principal part of the Three Gorges Project, which involves construction of ship locks, ship lifts, and relevant hydroelectric generating units No. 1-6. To ensure smooth process in constructing the three key components, Yichang city sent 500 vehicles to resettle 236 households, or 580 people, within nine days, and provided housing for those resettled because of the construction. With governments of localities around the dam, Yichang has also actively carried out land requisition and resettlement work in areas affected by the construction of special highways linking other areas to the project site. Since the beginning of this year, it has resettled 2,903 people and requisitioned 2,337 mu of land. Construction of the special highways has already started.

Governments at all levels of localities around the Three Gorges dam have paid great attention to production activity and the daily needs of people resettled from the dam area. Construction of 19 residential areas for the resettled people have begun full-fledged. Permanent housing has been built or is being built for 2,100 of the 2,748 resettled households, and 1,348 of them have moved into new houses. Preparations are being made to build permanent housing for the rest of the resettled

people, who are staying in temporary settlement points. When helping people settle down, governments of localities around the Three Gorges dam have adhered to a principle that regards agriculture as the foundation and combines farming, industry, and commerce in one, and tried every possible means to solve the production and employment problems confronting the resettled people. By now, 1,964 of the resettled people have found employment in factories, 833 people have begun agricultural production on recently developed land, and 1,800 people have undertaken various forms of labor and commercial and trade activities.

Customs Strengthens Price Evaluation of Imports

HK1609152094 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0841 GMT 15 Sep 94

[Text] Beijing, 19 Sep (ZHONGGUO TONGXUN SHE)—Chinese Customs has strengthened the management of the price examination of imported goods and have dealt severe blows at tax evasion, including false declarations about prices. In the first half of the year, they discovered 18,268 such cases and retrieved some 660 million yuan in evaded taxes.

It is learned that the main products whose prices have been falsely declared include car parts and components; hi-fi appliances, parts, and components; and steel products.

In order to deal severe blows against the false declaration of imported goods prices, the Customs are going to adopt the following appropriate measures: Institute a sound customs price evaluation system and adopt internationally common definitions for price evaluation, set up a national computerized customs price data network, strengthen exchange of information on the false declaration of prices discovered at customs organs across the country, and offer vocational training to keep abreast of the price trends of new products.

It has been learned that lawbreakers use dozens of methods of price declaration in order to evade taxes. Some declare less than the actual quantity they have. Some declare old products when they have new ones. Some declare small trucks when they have big ones. Some declare components for a subsidiary plant when they are running the main plant. Some declare car parts when they have a whole car. Some falsely declare the price of propionic acid when they have glycerin. Others declare the price of black-and-white photographic paper when they have color paper.

Materials Supply Regulated by Market

OW2009080594 Beijing XINHUA in English 0619 GMT 20 Sep 94

[Text] Beijing, September 20 (XINHUA)—China has freed the supply of capital goods and other materials, leaving it to market regulation.

The overall reform in China has brought about great changes in this sector, sharply reducing the mandatory plans, relegating the powers of materials supply to local governments and enterprises, lifting the prices of most of the capital goods and setting up commodities trade centers and exchanges.

Now only 11 kinds of goods are state regulated, a big cut from 837, the figure of 1980. In coastal areas 95 per cent of capital goods are purchased from the market, instead of being allocated by the government.

There are 500 trading centers and 4,000 markets handling capital goods and 300 companies engaged in futures trading.

In recent two years, quite a number of state-level capital goods wholesale and futures markets have been established.

In 1993 the import and export volume of all enterprises in the line exceeded 5 billion U.S. dollars. The materials supply system has established 500 joint ventures in China and over 100 overseas, with a total investment exceeding 70 million U.S. dollars.

Circular Views Supervising, Controlling Cotton Quality

OW1909005494 Beijing XINHUA Domestic Service in Chinese 2130 GMT 16 Sep 94

[Text] Beijing, 17 Sep (XINHUA)—Recently, the State Economic and Trade Commission and the State Bureau of Technology Supervision jointly issued a "Circular on Intensifying Work To Supervise and Control Cotton Quality in 1994."

The circular pointed out: Nationwide, the quality of cotton has dropped drastically since the beginning of this year, and cotton procurement and sales have been rife with criminal activities. Cashing in on lower cotton production and the glaring fact that demand has outstripped supply, some illegal operators have illegally sought exorbitant profits through such means as passing off low-grade cotton for high-grade cotton, confusing cotton grades, cheating on cotton weight, and mixing in impurities in procurement and sales activities. Their actions have caused the state and enterprises serious economic losses and produced a very bad effect on the masses.

The circular urged accomplishment of the following tasks:

1. Proceed from the tasks accomplished in previous years and continue to station cotton procurement supervisory and liaison officers in cotton-producing provinces and regions adjacent to them, and regions that face considerable problems in promoting cotton quality. These officers will inspect progress in implementing the national cotton standard, preserve cotton procurement order in key areas, and prevent outbreaks of cotton wars.

2. Relevant stipulations in the "Interim Procedures on Supervision and Punishment Related to Cotton Quality" must be strictly observed when one processes and upgrades sawtooth cotton. Nobody is allowed to upgrade cotton without authorization, and those who violate relevant stipulations should be severely dealt with.

3. All levels of organs specializing in fiber inspection should conduct timely random checks on the quality of cotton stored for future use and inspect the quality of cotton taken out from storage.

4. When allocation and transfer of new cotton supplies begin, all levels of organs specializing in fiber inspection should comprehensively intensify and expand their supervision over and inspection of work to hand over cotton to industrial and trade units.

The circular also urged that a year-end inspection be conducted at the end of this year, during which we will concentrate on conducting random checks in regions facing prominent problems and severely crack down on illegal cotton procurement activities.

In accordance with the circular's demand, the China Fiber Inspection Bureau set up a "national office for reporting cotton quality problems." The office address is: No. 20, Heping Li East Street, Dongcheng District, Beijing Municipality; post code: 100013; and telephone number: 4235331.

Bureau Reports Increased Exports of Manufactured Goods

OW2009094494 Beijing XINHUA in English 0805 GMT 20 Sep 94

[Text] Beijing, September 20 (XINHUA)—China has registered a remarkable improvement in the structure of its exports and imports while maintaining a rapid growth in foreign trade.

The process of technological advancement and industrial rationalization has led to a marked rise in exports of manufactured goods during the past years, the State Statistics Bureau said today.

Manufactured goods now account for 83.1 percent of China's exports, compared to 46.5 percent in 1978, the bureau said.

Only 16.9 percent of exports are primary products at present, down from 53.5 percent in 1978.

Meanwhile, of the imports, manufactured goods make up 87 percent and primary products 13 percent.

In addition, accompanying the stable growth in trade of daily consumer goods, the nation's trade of high-tech products has been increasing sharply in recent years.

The bureau said that as the market-oriented reform has deepened, trade firms have paid closer attention to competitiveness, which has promoted both the rise in trade volume and improvement in trade structure.

Figures showed that China's export and import volumes were 68.95 billion U.S. dollars and 68.85 billion U.S. dollars in the first eight months this year, up 31.5 percent and 18.3 percent respectively from the same period last year.

The annual trade volume of China now occupies 2.6 percent of the world trade, ranking the 11th in the world, compared to the 32nd place in 1978.

Taxation Organs Established in 11 Provinces

OW1709050094 Beijing XINHUA Domestic Service in Chinese 0833 GMT 15 Sep 94

[Text] Beijing, 15 Sep (XINHUA)—The State General Administration of Taxation has disclosed that, according to the plan and guidelines laid down by the party Central Committee and State Council, establishment of state and local taxation organs at the provincial level across the country was completed in mid-August. Currently, all localities are devoting efforts to establishing branches of taxation organs under the provincial level.

As of 15 September, 11 provinces, autonomous regions, and municipalities—namely, Beijing, Tianjin, Hebei, Inner Mongolia, Shanxi, Heilongjiang, Anhui, Gansu, Ningxia, Xinjiang, and Yunnan—had completed the establishment of state and local taxation bureaus at the prefectural, city, and county levels, and these taxation bureaus have begun to operate according to the new system.

Separately establishing state and local taxation organs is an important decision made by the party Central Committee and State Council, an important part of the reform of the financial and taxation system. It has far-reaching significance for developing new socialist market economic mechanisms. The State General Administration of Taxation has urged taxation departments in all localities to further quicken the pace of establishing the two separate taxation organs. After establishment of the two separate taxation organs is completed, efforts should be devoted to carrying out work in the following areas: First, we should keep a close eye on the new developments and problems in implementing the new taxation system, and make constant efforts to refine the new system to make it more conducive to the economic development. Second, we should endeavor to increase tax revenues. State and local taxation bureaus at all levels should take effective measures and do their utmost to fulfill and overfulfill this year's tax revenues plans. Third, we should take effective measures to step up tax collection and to strengthen tax revenues management. Currently, the focus of work in this regard is to crack down on frauds in applying for tax reimbursements for exported goods; on the counterfeiting, reselling at a profit, and stealing of vouchers; and on other tax-related crimes. We should also collect tax payments in arrears and step up collection of personal income tax. Fourth, we should further build up the leading bodies and better educate taxation cadres of

taxation departments at all levels, improve taxation departments' work style, improve their work efficiency, tighten discipline, and ensure that all taxation workers are honest in performing their official duties.

Statement Explains Role, Scope of Tax Bureaus

HK1909035294 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 18-24 Sep 94 p 1

[By Jin Man: "Tax Bureaus Roles Defined"]

[Text] The central government will oversee the collection of taxes from foreign-funded enterprises, although local authorities have had greater say in some other aspects.

The news was revealed by the State Administration of Taxation (SAT) in a statement defining the administrative scopes of central and local taxation bureaus.

The new tax sharing system adopted since the beginning of the year requires that in all localities, taxation bureaus must be divided into central and local branches.

They collect taxes for central and local governments respectively.

In the past, a taxation bureau was responsible for collecting both taxes, which then underwent complicated calculations to divide them into two different categories.

The tax sharing system decrees that the bulk of taxes would flow into state coffers to strengthen the central government's macroeconomic control capability.

The SAT's release defines in detail the scope of tax collection for central and local branches of a taxation bureau, which may be useful for foreign investors in understanding the new situation.

According to the rule, taxes collected by the central branch will then be diverted into central and local pools.

The following are further distinctions of functions between central and local branches.

—Taxation registration:

The central branch is responsible for registration of taxpayers who are liable for value-added tax.

Registration of those who pay business tax and other local taxes is handled by the local branch.

The two branches should send registration documents of taxpayers to each other for reference.

The central branch decides when to update the registration cards. The verification of the cards are conducted once a year by local and central branches in joint efforts.

—Management of invoices:

The SAT is responsible for printing value-added tax invoices, which are disseminated and managed by central branches at all levels.

Invoices circulated nationwide are decided by the SAT, while those applied only in a province, autonomous region or municipality under direct administration of the State Council are decided by provincial-level central and local branches.

The SAT is responsible for the production and application of anti-counterfeiting instruments.

—Tax inspection:

Central and local branches oversee the collection of taxes for which they are respectively responsible.

According to the latest news release from the SAT, the establishment of central and local taxation bureaux at the provincial level has been completed.

In the statement, the SAT expressed hope that the new tax structure will endeavor to strengthen tax inspection to prevent tax evasion and speculation on fake tax invoices.

Official Urges Improved Individual Income Tax Collection

HK1909144594 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0721 GMT 29 Aug 94

[Text] Beijing, 29 August (ZHONGGUO TONGXUN SHE)—According to what was revealed by an official of the State Administration of Taxation in China, since the revised individual tax law came into force this year, the situation of individual tax collection has not been satisfactory enough.

According to reports, taxes collected from personal income last year amounted to 4.7 billion yuan, which accounted for only 1.33 percent of the total industrial and commercial taxes. However, the data provided by the International Monetary Fund showed that in a developing country with a comparatively low income level, the revenue from individual income taxes may still account for about 10 percent of gross revenue.

According to the conjecture of the authority concerned, individuals in the mainland have over 300 billion yuan of cash in their own hands, in individual deposits, and in other forms of investment, amounting to at least 1,000 billion yuan. In particular, the deposits kept by individuals running industrial and commercial businesses on their own and of private enterprise owners and other individuals in the high income group, account for 20.6 percent of all individual deposits, and the cash they are holding in their hands accounts for about 60 percent of the total. The official of the State Administration of Taxation said: The excessively high income of these people is precisely what should be brought into the scope of adjustment according to the laws. That is to say, there exist the sources of individual income taxes, and the current problem is the backwardness of the means of tax collection. This has caused serious losses in revenue from individual income taxes.

Imports, Exports Expected To Strike Balance This Year

HK1909125394 Beijing ZHONGGUO XINWEN SHE in English 1209 GMT 19 Sep 94

[Text] Beijing, September 19 (CNS)—Encouraging figures concerning China's foreign trade have been released recently by General Administration of Customs of China: In the first eight months of this year, China's total import and export value has reached US\$137.8 billion. Among them, export value numbers US\$68.95 billion, 31.5 percent up than the same period of last year. Import value numbers US\$68.85 billion with an increase of 18.3 percent. The favorable balance of foreign trade totals US\$100 million. Experts analyze that under the situation that China's macro economy continues to develop in right direction and foreign trade keeps its current developing momentum, China can be expected to attain the goal that foreign trade value reaches US\$200 billion, and import and export strike a balance.

After ten or more years' reform in foreign trade system, China has to date had over 7,000 export-oriented enterprises, and more than 2,200 state-owned industrial enterprises are entitled to the rights of foreign trade. Exports controlled by the state have declined to 16 categories from about 3,000 categories in number. Starting from 1988, contract management responsibility system began to be widely put into practice in foreign trade enterprises. In 1991, China regulated exchange rate, unified shares of foreign exchange and completely canceled direct export subsidies, initially forming a system in which foreign trade enterprises were responsible for their own profits and losses.

Reform has brought remarkable achievement. In 1978, China's import and export value only numbered US\$20.6 billion, ranking it 32nd in the world. By 1993, China became the eleventh largest trade country with its total import and export value reaching US\$195.8 billion. China can be expected to stand among the first largest trade countries in the world this year. She has now had economic and trade ties with more than 220 countries and regions, its import and export value accounts for 38 percent of Gross National Product (GNP).

Foreign trade system reform with foreign exchange management system reform as its core starting early this year is considered a hot potato in this year's economic reform. Unification of foreign exchange rate has reduced export cost of China's commodities and increased import cost. Cancellation of the share system of foreign exchange, implementation of settlement and selling of foreign currency by these enterprises in designated banks have invigorated these enterprises.

The promulgation of the Law on Foreign Trade started the practice of public bidding for exports quotas and reduced administrative interference. All this has provided a circumstance of equality, relaxation and fair competition for foreign currency-earning enterprises.

The newly-established China Import and Export Bank is specialized in supporting export of China's machines and electronic products, helping to promote adjustment of China's exports structure.

Economic recovery of Western countries, normalization of Sino-French relations, closer economic and trade partnership between China and Germany, renewal of China's MFN status, all have created new opportunities for development of China's foreign trade.

Experts believe the following problems need to be handled well if China wants to smoothly attain this year's foreign trade goal:

Inflation should be put under control. An inflation of 19.8 percent in the former half of this year has almost offset advantages brought about by unification of foreign exchange rate. Anti-inflation has now topped the agenda of the Chinese government in the latter half of the year.

Reform measures should be implemented continuously. Relevant departments are preparing for the second public bidding for parts of exports quotas.

Foreign trade order should be rectified. The Ministry of Foreign Trade and Economic Cooperation plans to expand quota range for public bidding, strengthen functions of commercial chambers and supervision. Foreign trade enterprises are asked to respond to anti-dumping indictment made by foreign countries. Relevant departments are also clamping down malpractice of cheating at tax refund or exemption for export products.

Fund shortage of enterprises should be eased. The Ministry of Foreign Trade and Economic Cooperation and the People's Bank of China as well as the Bank of China are jointly mapping out implementation method for linking handover of export-oriented enterprises' foreign currency earnings with bank's loans to them, and the method can be expected to come into effect soon. Quotas for tax refund or exemption for export products can be also expected to be increased.

BOC, Foreign Trade Ministry To Strengthen Cooperation

OW1909134194 Beijing XINHUA in English 1249 GMT 19 Sep 94

[Text] Qingdao, September 19 (XINHUA)—The Bank of China (BOC) and the Ministry of Foreign Trade and Economic Cooperation are trying to build up new ties of cooperation.

They will link foreign exchange earnings with loans to foreign trade companies and work together to reduce the unreasonable use of funds by businesses and losses of foreign trade enterprises. They will also strengthen cooperation in international trade settlement.

The move was made at a national conference on cooperation between the banking and foreign trade sector.

More than 400 BOC and foreign trade officials attended the conference which opened here today.

Minister of Foreign Trade and Economic Cooperation Wu Yi and BOC president Wang Xuebing said the new cooperation is of great importance in promoting foreign trade and accelerating the making of banks as real businesses.

They said that China's ongoing reforms are pushing BOC and foreign traders into the market, which means they have to be responsible for their losses or profits.

Wang said his bank will continue to support the country's foreign trade businesses. He urged BOC branches to expand the sources of funds.

Since 1988, BOC, biggest funds supplier for China's foreign trade businesses, has offered a total of 2,230 billion yuan and 28.9 billion U.S. dollars of loans to support the country's foreign trade.

BOC Raises \$28.8 Billion for Foreign Trade

HK1909151094 Beijing ZHONGGUO XINWEN SHE in English 1340 GMT 19 Sep 94

[Text] Qingdao, September 19 (CNS)—The Bank of China has handled more than ten million international settlement of business transaction involving US\$500 billion since 1988, and raised US\$28.8 billion for export-oriented enterprises for trade purpose, disclosed Mr. Wang Xuebing, President of the Bank of China, at a meeting held here today.

Mr. Wang said the Bank has been always putting its working emphasis on supporting development of China's foreign trade. Since 1988, the Bank has issued a total sum of loans of RMB [Renminbi] 2239.8 billion for import and export enterprises and US\$28.9 billion for foreign exchange-earnings enterprises. These loans have played an important role in helping foreign trade departments to earn US\$415.9 billion and to import goods worthy of US\$390.4 billion.

Development of foreign trade gives an impetus on business of the Bank. In the 93's tally of the world big banks, the Bank of China has risen to 23rd from 46th in 1987. To date, the Bank has had domestic and overseas organizations of 3,279 with its assets totaling RMB1,731.2 billion. The Bank has become a powerful backing for China's foreign trade development.

Despite its remarkable achievement, some problems remained. Mr. Wang stressed the Bank of China would strengthen its tie with the Ministry of Foreign Trade and Economic Cooperation, supporting implementation of China's foreign trade strategy. It would continue to foster import and export enterprises, enhance capital turnover and efficiency and strengthen management in order to offer good service for these enterprises.

Official on Accelerating Financial Reform

OW1909142294 Beijing XINHUA in English 1322
GMT 19 Sep 94

[Text] Beijing, September 19 (XINHUA)—China is to further reform its financial system by improving macro-control and strengthening the competition mechanism.

This was disclosed in a report by Vice-Governor of the People's Bank of China Chen Yuan, delivered at a financial and banking reform seminar which opened here this morning.

Chen said that since financial reform measures were adopted at the beginning of this year, the financial situation has witnessed a steady and healthy development.

He pointed out that there are still some problems and difficulties mainly manifested as a rapid price rise and the increasing pressure of inflation, as well as the weakness of the agricultural foundation.

He continued that the State Council, China's highest governing body, has decided to give priority to the control of inflation, which is also the major task of China's financial reform.

Attention is paid to the building of a macro-control system by the central bank, strengthening the function of the central bank, and keeping the value of China's currency stable, Chen noted.

While taking direct measures to control the volume of credit, the People's Bank may adopt indirect measures such as the market system to this end, he said.

Meanwhile, the country's specialized banks will take bolder steps to change themselves into commercial banks, the report said.

Chen also listed in his report some areas to be further reformed, such as strengthening the foreign exchange administration system, life insurance and insurance against loss policies, and speeding up the legal construction and opening drive of China's financial system.

The report said that the opening of China's financial services has to be in line with domestic conditions and the development of financial services.

Development Bank To Control Fixed Asset Investments

HK1909035394 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 18-24 Sep 94 p 1

[By Ren Ren: "New Bank Defines Lending Policies"]

[Text] The State Development Bank, one of the country's three policy-oriented banks, will continue to exert macrocontrol over investment in fixed assets in the coming months.

That means the bank will supply loans strictly in accordance with the state's fixed assets investment plan and the credit plan, according to an official with the bank.

The amount of credit for every project should adhere to the planned scale, he stressed.

Meanwhile, the official said, the bank will exercise strict control over projects which started construction this year, pressurized by the quick growth of new projects to be launched later this year.

To ensure the better use of policy-oriented lending, the bank will also strictly control the loans to the small projects not listed in the state plan.

The official said the bank will try to put the general scale of fixed-assets investment under strict control.

At the same time, the bank has listed some projects which will be given priority in credit supply.

The "short" list includes 107 key state projects for which the bank has the responsibility to support this year.

Besides, the bank will also make painstaking efforts to ensure financing for the 65 projects which are expected to begin production this year.

The official said that the bank will make more efforts to ensure the flow of money to projects on time.

Meanwhile, it will urge local and other kinds of capital to flow into the projects simultaneously to ensure smooth construction.

The bank has also disclosed its guidelines for drafting next year's credit plan.

Credit next year will be given to large agricultural projects including fertilizer, pesticide, and water conservancy projects.

The bank will also support infrastructure facilities and basic industry projects.

Projects which are nearly completed or become operational next year will also gain priority in terms of credit.

The State Development Bank was established in April 1994 as a merger of the six investment groups under the State Planning Commission.

It bears the responsibility of supporting fixed-assets investment in the country's infrastructure and key industrial projects.

The bank this year is to supply 20 billion yuan (\$9.19 billion) of low-interest loans for infrastructure construction.

By the end of August, the bank had supplied more than 36.9 billion yuan (\$4.44 billion) of credits.

Of that amount, 94 per cent flowed to the 369 large and medium-sized projects the bank has the responsibility to support this year.

Finance Minister Urges Investigation of Irregularities

OW2009073694 Beijing XINHUA Domestic Service in Chinese 0743 GMT 18 Sep 94

[By reporter Ding Jianming (0002 1017 6900)]

[Text] Beijing, 18 Sep (XINHUA)—At a national work meeting on general inspection on taxation, finance, and prices, which ended today, Finance Minister Liu Zhongli pointed out: During the general inspection, all localities and departments must vigorously and earnestly focus their efforts on investigating irregularities that occur in the course of implementing the new financial and taxation systems and price policy.

Liu Zhongli said: The general inspection on taxation, finance, and prices for this year is being held when reform measures for the taxation, financial, foreign exchange, and circulation systems are simultaneously introduced, particularly the comprehensive reform of the financial and taxation systems. Therefore, the task has vital and practical significance. If effectively carried out, the task will play an important role in instituting strict financial and taxation laws and disciplines; strengthening the establishment of an honest administration; and promoting sustained, rapid, and healthy economic development. In addition, it will contribute tremendously toward ensuring the smooth implementation of financial and taxation system reform, promoting inflation control measures, and ensuring complete fulfillment of this year's budget.

Liu Zhongli asked that the task of identifying and dealing with irregularities during the general inspection must be accurate, in-depth, and strict. Main irregularities in key industries and major departments, particularly problems that emerge during the financial and taxation reform, must be thoroughly investigated, and must not be hastily concluded or carried out as a mere formality. We must investigate and deal with irregularities strictly and earnestly in accordance with the law, and be tough in handing down and collecting fines for the treasury. We must not exchange penalties for favors or reduce and exempt penalty payments at will. Liu Zhongli stressed: Localities must not be careless, but must take resolute and corrective action once they discover that temporary procedures and measures adopted by them go against unified state financial and taxation laws and regulations. Apart from confiscating illegal income, it is necessary to mete out heavy penalty on those who commit irregularities. We must strictly deal with those who, capitalizing on the financial and taxation reform, repeatedly and knowingly violate the law and discipline; seriously harm the state and people's interest, evade state taxes, retain revenues, obtain personal profits, and receive bribes and distort the law. In particular, we must severely punish those who print, sell, and use fake value-added tax receipts, and those who obtain export rebates by defraud. Fines imposed on the abovementioned cases of irregularities must all be collected

without fail and paid to either the central or local governments where due, and must not be mixed up. More so, reduced payments or nonpayment must not be allowed. Assistance should be sought from banks to collect fines from those who refuse to pay through forceful deductions.

Liu Zhongli concluded: Leaders of all localities and departments must undertake the general inspection as a major task in deepening reform and economic development. They must give prominence to the task and implement effective measures to achieve practical results.

Government To 'Gradually' Open Accounting Firms

OW1709210194 Beijing XINHUA in English 0700 GMT 17 Sep 94

[Text] Beijing, September 17 (XINHUA)—China will gradually open domestic accountancy market and welcome international accounting firms to set up representative offices here.

"To build up a market economy, the country needs a big army of CPAs (Certified Public Accountant) and quality accounting services," said Vice Finance Minister Zhang Youcai Friday [16 September]. "We expect more international accounting firms to open resident representative offices in China."

"However, they, as well as the foreign accounting firms which have set up joint ventures here, must conduct businesses within the framework of relevant Chinese laws and regulations," Zhang said at a reception hosted by Moore Stephens to mark the opening of its first agency in China.

The London-based firm, which ranks 16th in 20 largest international accounting and consulting networks worldwide, has got approval from the Ministry of Finance to open a representative office in Fuzhou, capital of Fujian Province.

The office will mainly serve its clients from Southeast Asia which have investments in China.

Moore Stephens is the 10th foreign CPA firm to have opened a representative office in China.

Machine-Building Industry Becomes Second Largest Exporter

OW1809145894 Beijing XINHUA in English 1414 GMT 18 Sep 94

[Text] Xian, September 18 (XINHUA)—The machine-building and electronic industry has become China's second largest exporter after the clothing industry, according to a national conference that closed here September 16.

Customs statistics showed that exports of mechanical and electronic products from China amounted to 14.53 billion U.S. dollars in the first seven months of 1994.

That figure accounted for 24.7 percent of China's total exports during that period, up 18.6 percentage points over 1985.

Exports of such products came to 22.71 billion dollars in 1993, 13.5 times the amount in 1985 and rising at annual average rate of 38.5 percent.

Such products are now exported to 210 countries and regions, according to delegates to the national conference on the export of mechanical and electronic products.

The annual exports of 33 types of such products now top 100 million dollars, one delegate said.

China currently exports more tape recorders, black-and-white TV sets, bicycles, electric fans, sewing machines and manual tools than any other country, he added.

Technology-intensive products account for nearly 87 percent of the export of mechanical and electronic products, while the proportion of labor-intensive products fell to 13 percent from 25 percent in 1985.

Exports of computers and computer parts, automobiles and auto parts, household electric appliances, medical instruments and complete sets of equipment have been rising sharply in recent years, the delegate said.

Foreign-funded firms in coastal areas serve as a main force in increasing the export of mechanical and electronic products, he noted.

Of the 515 companies that each exported more than five million dollars worth of such products in 1993, 144 are foreign-funded businesses, he said.

The six companies that each exported 100 million dollars worth of such products last year are all foreign-funded businesses, he added.

Exports of mechanical and electronic products from such firms totaled 8.39 billion dollars last year, roughly 37 percent of the export of such products from China.

Coastal areas now contribute 84 percent to the export of such products from China.

Chemical Industry Encourages Foreign Involvement

OW1709015994 Beijing XINHUA in English 0128 GMT 17 Sep 94

[Text] Beijing, September 17 (XINHUA)—China will continue to encourage foreign companies to transfer technology to the country's chemical industry or to establish joint ventures, said He Guoqiang, vice-minister for chemical industry, Friday [16 September].

He was speaking at a press briefing for '94 International Chemical Industry Fair.

The vice-minister concluded that in the past two years, China has signed comprehensive cooperation agreements with the concerned government departments and more than ten large world famous chemical giants in the United States, Germany, Britain and Japan.

The country's cooperation projects with foreign companies have been in the fields of pesticide, dyestuff, intermediates and chemicals for daily use, said He.

He disclosed that the BASF Co. from Germany had signed joint venture contracts with two Chinese companies, with total investment amounting to 350 million U.S. dollars.

'Sources' Says Blueprint of Bullet Train Railway Unveiled

OW1909042394 Tokyo KYODO in English 0319 GMT 19 Sep 94

[Text] Shanghai, Sept. 19 KYODO—China's planned bullet train system between Beijing and Shanghai via Nanjing will have 40 stations and operate express and semiexpress trains, Japanese sources close to China's railway authorities said Monday [19 September].

The new railway project is being promoted by a study group consisting of four Chinese Government sectors, including the Ministry of Railways and the State Planning Commission.

A blueprint has already been submitted to the State Council. After getting an approval from the council, it will be endorsed by the National Congress at its meeting next year and be included in the government's 1996-2000 state plan.

The 1,300-kilometer railway is expected to be completed by the year 2000 at an estimated cost of 1 trillion yen, the Japanese sources said.

The sources reported China plans to launch the project by either setting up a public corporation or a joint-stock corporation.

Introducing foreign funds through a joint venture is also being considered, they added.

The bullet train line, serving passengers only, will relieve congestion on existing railways.

An express train from Beijing to Shanghai will take six to seven hours and run at a maximum speed of 250 kilometers per hour, the sources said.

There will also be semiexpress trains with a speed of 160 kilometers per hour.

Countries including Japan, Germany and France are already competing for contracts to provide financing and technology for the project, the sources added.

'Sources' Report on Aviation Industry 'Take-off Plan'*OW1909133594 Beijing XINHUA in English 1316
GMT 19 Sep 94*

[Text] Beijing, September 19 (XINHUA)—After 45 years of development, China's aviation industry has made great achievements in the fields of international cooperation, aviation technology, and civilian products research and production.

Sources from the China Aviation Industrial Co. said that so far China has produced more than 14,000 military and civilian planes in 60 types and 27 varieties, and more than 50,000 plane engines in 25 varieties; the industry has also worked out over 5,000 types of airborne equipment, making outstanding contributions to national defense and economic construction.

According to the development target outlined in the undergoing "Take-off Plan" for China's aviation industry, by the end of this century China will be able to design and produce large passenger planes.

The "Take-off Plan" envisages China's aviation industry gradually completing the readjustment of its industrial structure for perfecting the industry's capability, actively introducing advanced foreign technologies through international cooperation, and attaching great importance to the development of non-aviation products and tertiary industry.

The fine industrial equipment and technical strength of the aviation industry also provide good conditions for the development of civilian products. The sources said that, to date, the aviation industrial system has developed and produced more than 5,000 kinds of civilian products in ten major categories, covering some 30 different industrial fields.

The industry began to export its machinery and electronics products in the early 1980s. In 1993 the export volume hit 539 million U.S. dollars-worth. In the first half of this year the export volume reached 257 million U.S. dollars-worth. So far, the industry's total export volume has reached over 2.22 billion U.S. dollars-worth.

China's international cooperation in the field of aviation has aroused world attention in recent years. So far, the industry has established trade, economic and technological cooperative relations with more than 70 countries and regions, and signed some 100 industrial production contracts with over a dozen countries. Now China is capable of producing high-quality and technically complicated parts for modern passenger planes and some advanced airborne equipment.

China began to produce plane parts for foreign plane producers in 1979. In the past few years some 40 million U.S. dollars-worth of plane parts have been delivered each year, and the total delivery value has totalled over 200 million U.S. dollars.

So far, China has produced plane parts for leading plane and engine producers in the United States, Britain, France, Canada, the Netherlands and some other countries, including the three plane giants of Boeing, MD and Airbus.

Earlier this year a contract was signed between the Xian Aircraft Industrial Co. and the Boeing Co. for the production of the 48th fuselage section of the Boeing 737-300, which marks new progress in China's aviation industry.

The Shanghai Aviation Industrial (Group) Co. has successfully produced 35 MD-82/83 passenger planes in cooperation with the MD company of the U.S., of which five have been sold back to the U.S.

The sources said that the China Aviation Technology Import/Export Co., Shenyang Aircraft Co. and the Boeing Co. are negotiating on the establishment of a joint venture in China to produce the rear sections of Boeing-757s and 737-700s.

A recent development is that China has signed a memorandum of understanding for the joint research and production of branch-line passenger planes.

Foreign Firms Awarded Guangzhou Subway Equipment Contracts*HK1909051994 Hong Kong TA KUNG PAO in Chinese
25 Aug 94 p 1*

["Special dispatch": "Foreign Companies Compete for the Right To Supply Mechanical and Electrical Equipment to the Guangzhou Subway"]

[Text] Guangzhou, 24 Aug (TA KUNG PAO)—The Guangzhou subway, which is estimated to cost over 10 billion yuan, has drawn the attention of foreign companies, which are vying with one another in submitting tenders for the project. The supply rights for 13 of the 15 mechanical and electrical equipment systems for the first line of the subway project have been decided to date.

The subway is the urban construction project involving the largest amount of investment in Guangzhou's history. The construction of the subway's first line began at the end of last year and is now in full swing. It has been learned that construction has started in nine work spots and is to start in another 16 by the end of this year so as to complete the project in 1998. The investment in the first line comes to approximately \$1 billion, half of which comes from foreign capital. The equipment for 16 stations, which cost approximately \$440 million, will be imported from many countries. The Guangzhou subway has invited tenders for the project. Nine companies from six countries, namely, Germany, Britain, France, Italy, Japan, and ROK, have received the tender offers.

The foreign companies are interested in and are vying with one another for the right to supply the 15 mechanical and electrical equipment systems needed for the first

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subway line. Last November, The German Siemens Group won the right to supply five equipment systems, including rolling stock and stock section equipment; the U.S. Brooks [pu le si 2528 2867 2448] Company and the Carrier Company, the British Balfour Beatty Company and the British (Hong Kong) General Electric Company won the right to supply six equipment systems, including disaster-prevention alarms, water-cooling sets, upper contact networks [shang bu jie chu wang 0006 6752 4814 6051 4986], and air blowers; the Japanese Mitsubishi and Hitachi Corporations won the right to supply automatic escalators for the first line; and the U.S. Korbick [kou bi ke 1379 3024 0344] Automatic Ticket Selling and Checking Group won the right to supply automatic ticket-selling machines. Thus, the suppliers for the 13 of the 15 equipment systems have been decided.

China Attracts Foreign Funds To Build Container Terminals

HK1609150494 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0954 GMT 18 Aug 94

["Special feature" by Shao Ling (6730 7227): "Mainland Opens Ports To Attract Huge Foreign Investment"]

[Text] Hong Kong, 18 Aug (ZHONGGUO TONGXUN SHE)—China's Ministry of Communications said earlier this year that foreign-funded companies were not allowed to have a controlling interest in joint-venture port projects. This report worried Hong Kong businessmen who had invested in mainland port projects. Latest developments indicate that the above policy has been amended. Minister of Communications Huang Zhendong said in August that exclusive foreign investment or joint investment in highway and special port projects is allowed, adding that to prevent foreign monopolies, public ports can only be financed by the Chinese Government. The former policy forbade foreign investors taking a controlling interest in port projects, but the present policy separated ports into "special ports" and "public ports," allowing foreign investors to have a controlling interest in the former but not the latter. This gives ample scope for the abilities of foreign investors to run ports.

In fact, Hong Kong and foreign businessmen are upbeat about the outlook for ports, especially container terminals, on the mainland. For instance, in September last year, Hong Kong's Wharf (Holdings) Limited signed a letter of intent with the Wuhan government. Under the agreement, Wharf will invest HK\$10 billion [Hong Kong dollars] for construction of four berths at the Yangxian container terminal and a warehouse area on the banks of the Chiang Jiang, and the firm will have a controlling interest in these projects. Hong Kong's Hutchison Whampoa Limited will invest HK\$1.4 billion, representing a 50 percent interest, in the construction of a container terminal in Shanghai. In the meantime, Hutchison will spend HK\$200 million, representing a 50 percent interest, building a container terminal in Zhuhai

and will spend HK\$100 million, also a 50 percent interest, to build a container terminal at Sanshan Port. Hong Kong's International Container Terminals, in which Hutchison has the biggest stake, has a 62 percent interest in a new container terminal at Shenzhen's Yantian Port. Also, the Nanhai International Container Terminal, which is jointly funded and run by International Container Terminals Limited and Nanhai City, Guangdong, became operational in March this year. The terminal can handle 40,000 standard containers per year with the volume of goods transported hitting 200,000 tonnes.

Hong Kong's Swire Pacific Limited and Britain's Peninsular and Oriental Steam Navigation Company [P & O] recently invested HK\$615 million to build a container terminal at Shenzhen's Shekou. P & O also used HK\$78 million to build a container terminal in Zhangjiakou. Earlier, Hong Kong's Orient Overseas (China) Investment Company Limited and the Shanghai Port Container Comprehensive Development Company agreed to jointly build China's largest container terminal. Hong Kong's (Wantung) (6663 6639) Company Limited has also cooperated with the Guangzhou Bonded Area to building the Guangbaotong Port bordering the new Huangpu Port. Phase one became operational in late June this year. Total investment in the project stands at 150 million yuan and (Wantung) has a controlling interest.

In addition, Taiwan businessmen have shown great interest in building ports on the mainland. Not long ago, the Taiwan Changjung Navigation Group and the (Wonderful) [qi yi 1142 8381] Company of the United States jointly spent \$80 million to build a container terminal for medium-sized container ships at the Zhangjia Port in Jiangsu. The Changjung group believes the Zhangjia port, which is situated on the south bank of the lower reaches of the Chang Jiang, will become a good port for impending navigation between Taiwan and cities in the Chang Jiang delta.

In another development, the authorities in charge of 21 ports in Fujian, including Fuzhou, Xiamen, Quanzhou, Dongshan, Meizhouwan, and Xiuyu ports, which have been opened to Taiwan ships, recently expressed hope that Taiwan businessmen would invest in local transport projects. Taiwan businessmen will be allowed to jointly invest in and run wharfs, to build wharfs and channels for exclusive use, and to build and run ports and wharfs on stretches of land assigned for development.

After a recent inspection of Lianyung Port, one of the eight biggest ports on the mainland, a group of Singaporean businessmen decided to invest in development projects at the port, which holds a rosy future because it is the starting point for a continental bridge linking Asia and Europe. Six 10,000-tonne deep water berths are under construction involving an investment of 600 million yuan. The port now has 24 berths, of which 18 are 10,000-tonne berths, with the bulk head line running to over 10,000 meters and the annual handling capacity to

20 million tonnes, which will increase to 100 million tonnes in 20 years. Singaporean businessmen are upbeat about the promising outlook for the port.

What is attracting the attention foreign investors is that various mainland ports are planning to build container terminals. Tianjin Port is even considering a plan under which goods will be transported by scheduled container trucks and scheduled land container traffic, which after establishing ties with ports, will be provided in Hebei, Henan, and Shanxi to ensure sufficient cargo for the container ships. Another noteworthy report is that China has become the world's second biggest container-producing country, producing 400,000 standard containers a year. This means the world's container-manufacturing and traffic center is shifting to the mainland, Hong Kong, Singapore, and South Korea. This is why Hong Kong, Taiwan, and Singaporean businessmen will continue to invest in container terminals on the mainland.

'Cooling Economy' Eases Transport Bottlenecks

HK1609150594 Beijing ZHONGGUO XINWEN SHE in English 1258 GMT 15 Sep 94

[Text] Beijing, September 15 (CNS)-China's transport industry, which has been called a "bottleneck" hampering China's economic development, now shows a sign of relaxation. Except for a large transport volume of train passengers and a rapid increase of handling capacity in coastal harbors, there are simply not enough goods for rail freight and inland water transports, and the air transport also faces "a market of customers".

Professionals believe such a situation indicates a "soft landing" of China's economy as a result of the macro-control launched by the state on one hand. On the other hand, it also reveals problems such as overstock of unsalable products and inadequate funds in the course of cooling economy.

Starting from the latter half of last year, the state began to restrict money supply and control sizes of credits and loans as well as fixed assets investment, trying to rein in the overheated economy. Economic order has now turned for the better but sales value shows no sign of growth. Facing dual pressures of tight money supply and slack marketing, enterprises have many difficulties in recouping funds and their products are overstocked.

Under such a situation, social demand for rail freight transport is alleviated to some extent. From early this year, social demand for freight cars has decreased by 50,000 to 60,000 per day than the same period of last year. Since June, due to the flood and the inadequate sources of goods, Harbin, Beijing, Shanghai, Liuzhou and Lanzhou Railway Administrations has failed to complete their freight transport plan set earlier this year.

Despite rapid increase in transport volume by air, domestic demand for air transport has declined following cooling of economy. Great rise of air ticket fare

also curbs irrational demand. In a relatively long period, air transport capacity has surpassed domestic demand.

Many difficulties have surfaced with inland water transport in these years and this year's situation seems even more grim. Passenger and freight transport volume of the Yangtze Shipping Corporation from January to May fell by 16.8 percent and 4.5 percent respectively than the corresponding period of last year. Inadequate sources of goods have also led to a fall in handling capacity at harbors along the Yangtze River.

Since orders placed last year had been mostly fulfilled in the former half of this year and foreign trade also showed a better trend, main coastal harbors can be expected to raise their handling capacity fast this year, but the growth will slow down in the latter half of this year.

Generally speaking, though China's transport industry is not as busy as that of last year, this situation is only temporary if judged from the angle of meeting the demand for continuous and high-speed development of national economy. Whenever economy is heated, the issue of such a "bottleneck" will appear once more. Therefore, there is no reason for slow-down of transport infrastructural construction.

Report Hails Achievements of Tianjin Development Zone

HK1909062794 Beijing RENMIN RIBAO in Chinese 21 Aug 94 p 1

[Dispatch from Tianjin by staff reporters Wang Xuexiao (3769 1331 1321) and Chen Jie (7115 2638): "Tianjin Economic and Technological Development Zone's Practical Experience Has Proven That Development Zones Stand a Good Chance of Success"]

[Text] Tianjin, 20 Aug (RENMIN RIBAO)—On 21 August 1986, Deng Xiaoping, the chief architect of China's reform and opening up, inspected the Tianjin Economic and Technological Development Zone and wrote down these words: "Development zones stand a good chance of success."

Eight years later, saline-alkali shallows are all past history in the Tianjin Development Zone, and a modernized new urban area has risen on the banks of the Bohai Sea. From last January to July, the Tianjin Development Zone realized 7.04 billion yuan worth of gross industrial output value, 1.432 billion yuan of profits and taxes, and \$228 million worth of exports, registering 184-fold, 435-fold, and 112-fold increases over similar indexes of the entire year of 1986 respectively. As of late July, a total of 2,024 foreign-invested enterprises had been approved by the zone, and the total contracted investment had reached \$3.47 billion, including \$2.391 billion of contracted foreign investment. A total of 50 transnational companies and world-famous enterprises have invested in over 80 projects in the development zone.

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China's coastal development zones were painstakingly pioneering a great cause when Comrade Deng Xiaoping inspected the Tianjin Development Zone. He said here: "Restrictions must be lifted in opening up to the outside world; otherwise nothing can be invigorated, and tightening control is out of the question." In this way, pioneers' confidence in reform and opening up were greatly boosted. Without asking for any financial appropriations from the state since its founding, the Tianjin Development Zone has blazed a new trail of operation on borrowings and of dynamic development, which is full of vigor, by entirely relying on the superiority and vitality of its new system and attracting domestic and overseas investors through improving its investment environment. A yuan's worth of investment for development attracts \$2 worth of project investment and generates \$3 in economic scale. Today, a large number of rising industries and export-oriented enterprises with new and high technology are grouped in the Tianjin Development Zone and are increasingly approaching the international standard in such respects as industrial upgrading, technological innovation, product renewal, modernized management, and international marketing. Their economic index ranks among the leading ones of the 17 state-level development zones throughout the country.

On 19 August, a forum was held in Tianjin to mark the eighth anniversary of Comrade Deng Xiaoping's inspection of the development zone. Entrepreneurs, cadres, and workers and staff who had received Comrade Deng Xiaoping then, who were intoxicated with the happy memories, spoke glowingly of the tremendous changes in the development zone and voiced their love and esteem for Comrade Deng Xiaoping. A photo exhibition consisting of 148 pictures, which showed the scene of Comrade Deng Xiaoping's inspection and the eight years' achievements of the Tianjin Development Zone, was held concurrently. Wang Guangying, vice chairman of the National People's Congress Standing Committee, and others were present at the forum.

Investment Encouraged From Foreign Accountancy Firms

HK2009055994 Beijing ZHONGGUO XINWEN SHE
in English 1357 GMT 19 Sep 94

[Text] Beijing, September 19 (CNS)—Deputy General-Secretary of China Certified Accountants Association, Mr. Ding Pingzhun, expressed in an exclusive interview with this agency that overseas accounting firms also including those in Hong Kong, Macao and Taiwan are encouraged to set up their branches in coastal cities as well as opening cities along the Changjiang River in China's Mainland.

According to Mr. Ding, some 30 institutions of this kind have been so far approved to be set up in the Mainland, mostly concentrating in several coastal cities such as Dalian, Shanghai and Shenzhen. Meanwhile over 140

accounting firms in Hong Kong and Taiwan have already been authorized with a provisional business permit by the Mainland.

Overseas accounting firms are facing no limitation in their application for setting up representative offices and for doing temporary business in the Mainland. However, their representative offices are only allowed to offer consultancy services of accounting, auditing and taxation to foreign businessmen and their temporary business is limited within related auditing business and the time limit of such a business is no more than a half year.

Mr. Ding said that there are another three types of opening China's accounting market to foreigners. First, accounting firms under cooperation between foreign businessmen and their Chinese partners are allowed to be set up in China. Some seven firms of this kind have so far been available in the Mainland and this kind of firms are considered as a transition form. They have, however, done a lot in the recent two years in training Mainland's accounting personnel, in helping Mainland's enterprises to be listed overseas and in issuance of B share in foreign countries and regions. There are also some disadvantages in their operation and they must be rectified and the Mainland will no longer approve this kind of firms in the future. Second, some foreign-run accounting firms in the Mainland have become members of some international accounting companies. Accounting firm of this kind are particularly welcomed in the Mainland. Third, the Mainland has opened its certified accountant qualification examination to foreigners as well as people in Hong Kong, Macao and Taiwan. Some 481 people overseas will sit such an exam in Tianjin on September 22, this year.

Mr. Ding expressed that those people passing the above exam will be absorbed as overseas members of the Association in the first half next year. The following step the Mainland will take is to formulate related laws and regulations on this business and the Mainland will conditionally give a business permit to the Association's overseas members.

Mr. Ding explained that, according to international practice, those overseas members who want to get such a business permit will be subject to live in the Mainland for one to two years and to be employed in an accounting firm in the Mainland.

Mr. Ding revealed that there are over 25,000 on-duty certified accountants in the Mainland and it is a hard task for China to realize its goal of 100,000 accountants available in the country before the year 2000. He added that, the Mainland has so far still seen none of its accounting firms to expand their business to foreign countries and regions and such a situation is expected to be broken through in the coming three to five years.

Provisions To Continue Funding Loss-Making Firms*HK1609151194 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0840 GMT 15 Sep 94*

[Text] Beijing, 15 Sep (ZHONGGUO TONGXUN SHE)—China's State Economic and Trade Commission, the People's Bank of China, and the Industrial and Commercial Bank of China issued an urgent circular a few days ago on how to settle the problem of some Chinese state-owned enterprises' running short of working capital.

The circular pointed out: In order to ensure the normal production of state-owned industrial enterprises, whenever state-owned industrial enterprises whose products are marketable and salable apply for working capital loans, local branches of the Industrial and Commercial Bank of China must, together with economic and trade commissions and commissions of foreign trade and economic cooperation, promptly scrutinize and verify their applications and give them strong support; for state-owned enterprises with hope of making up deficits, loans must be granted to them in accordance with the relevant provisions laid down by the Economic and Trade Commission this year; for enterprises which have incurred losses for a long time and incapable of paying off their debts, the methods of setting aside local financial subsidies, sparing some funds for key enterprises departments, and obtaining banks loans should be taken to guarantee the basic livelihoods of workers and staff and social stability. For those loss-making enterprises which have no hope of making up deficits and which are incapable of revitalization, corresponding measures should be taken in line with legal procedures after making full preparations and experiments.

Article Views Power Industry Development*HK1909113994 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 14 Sep 94 p 1*

["Footprint of the Republic" column by Wang Baole (3769 1405 2867) and Qin Jingwu (4440 0079 0582): "The Power Industry Has Entered a Golden Age"]

[Text] The republic boosted the power industry and the latter, in its turn, contributed to the republic's rapid economic growth. When New China was born, the country's generating capacity was 1.85 million kw, generating 4.3 billion kwh of electricity with annual per-capita generated energy amounting to less than 10 kw. Despite this insignificant foundation, New China's power industry has grown rapidly.

Generating capacity increased by 500,000 kw per year from 1953 to 1957; 1.5 million kw from 1958 to 1965; 5 million kw from 1978 to 1987; 10 million kw from 1988 to 1990; and over 12 million kw from 1991 to 1993.

Since 1988, China's generating capacity has grown faster than that of other countries in the world. In 1993,

China's generating capacity stood at 182.91 million kw, generating 836.4 billion kwh of electricity a year, representing 99 and 195 times the 1949 figures respectively, with the average annual growth rates being 10.7 and 12.4 percent respectively. When China's generating capacity exceeded 100 million kw in 1987, it ranked fourth among other countries in terms of generating capacity and generated energy.

Currently, China's power industry has entered a new development stage characterized by big power plants, big generating units, big power transmission networks, high voltages, and a high degree of automation. By late 1993, China had built 142 big power plants with generating capacity of 300,000 kw each, and five interprovincial power transmission networks—of which the biggest is the east China power transmission network—with total generating capacity of 28.7 million kw, generating 143.7 billion kwh of electricity. The generating capacity of 13 big power transmission networks—whose generating capacity is over 1 million kw each—across the land totals 164.97 million kw, representing 90 percent of the country's total. Power transmission lines now extend to all cities and most rural areas throughout China.

Over the last 15 years, the power industry has owed its rapid growth to reform and the opening policy. Since 1979, China's power industry has begun introducing foreign funds, technology, equipment, and management techniques. In 1984, local authorities, enterprises, collectives, and individuals were encouraged to jointly build power plants, thus reversing the past practice of mainly relying upon the central government to build power plants. By 1993, contracts involving foreign capital of \$14.3 billion had been signed. A total of 63 projects, including hydraulic, nuclear, and thermal power plants; transmission lines; and power substations had been launched using loans provided by the World Bank and the Japanese, Russian, French, and Italian Governments, with the money already invested hitting \$10.476 billion. China has so far introduced 320 generating units for hydraulic and thermal power plants, with the generating capacity standing at 19.19 million kw, accounting for 12.3 percent of the total generating capacity of the country's 6,000-kw generating units. The China Huaneng International Electricity Development Company has used foreign funds to build a number of Sino-foreign joint-venture power plants, including the Huaneng Dalian, Shangan, Fuzhou, Nantong, Luoheng, and Yueyang power plants, partially easing the strain on electricity. Introducing foreign funds and technology has also helped China improve techniques for building and running power plants.

China is a country with a vast territory and various areas vary much in energy resources, so power transmission networks cannot quickly be spread to mountain areas, pastoral areas, areas inaccessible to traffic, and sparsely populated areas. While building big power plants and big power transmission networks, China has built power plants in rural and remote areas following the principle

of "making different energy resources supplement each other." The generating capacity of the power plants, including the wind power stations, in rural areas totals 28.8 million kw, providing 88.7 billion kwh of electricity per year. In 1993, a power supply was available to 93.1 percent of the rural areas and to 89.6 percent of peasant households.

Though China's power industry has grown faster than that of other countries over the last six to seven years, it still suffers from a serious electricity shortage. To ease the shortage, China's Power Industry Ministry has a plan to increase China's generating capacity to 300 million kw by 2000, with an average annual increase of 17 million kw over the next seven years. In the meantime, the ministry will step up its efforts to link power transmission lines across the country, to help poor areas by building power plants, to launch electricity-efficient projects, and to introduce techniques for preventing pollution caused by burning coal, which will enable China's power industry to consume less energy, to reduce pollution, and to raise efficiency.

In the remaining seven years of this century, China will install a number of big and medium-sized generating units with generating capacity totaling 130 million kw and import generating sets with generating capacity totaling 45 million kw. This plan will require 650 billion yuan and will utilize \$25 billion in foreign funds. China's power industry is entering a new golden age.

National Day Article on Enterprise Reform

OW1509142394 Beijing XINHUA Domestic Service in Chinese 2111 GMT 10 Sep 94

["Special National Day Article" by XINHUA reporter Zhang Jinsheng (1728 6930 0524): "Fifteen Years of Traveling at Double Speed in the Wind and Rain—A Roundup on Our Country's Enterprise Reform"]

[Text] Beijing, 11 Sep (XINHUA)—New growth points in China's economic development emerged when history thrust millions upon millions of enterprises onto the big stage of reform. Looking back today at the 15 years from 1979 to 1993, we see that the gross national product [GNP] of our country has increased 2.78-fold, at an average annual growth rate of 9.3 percent, and China's economic growth rate has been one of the fastest in the modern world. These achievements are the result of continuous efforts to further invigorate enterprises during reform.

After 15 years of being combed by the wind and washed by the rain, and through exploration and practice, China achieved remarkable success in enterprise reform. During those 15 years, it constantly viewed efforts to further invigorate state-owned enterprises, particularly large- and medium-sized ones, as the central link in the reform of the economic structure. That helped lay a solid foundation for the continued deepening of enterprise

reform and for eventually shaping state-owned enterprises into a qualified and dominant force in market competition.

Proceed in an Orderly and Step-by-Step Manner, and Continue To Tackle Thorny Issues

The "first campaign" of our country's enterprise reform lasted from late 1978 to September 1984, during which preparations were completed for enterprise reform and the reform was launched. The basic idea for trial enterprise reform was to expand powers and allow the retention of more profits; that is, to enlarge the decision-making powers of enterprises and reduce the amount of profits to be delivered by them. By promulgating a series of policies, laws, and regulations to enlarge the decision-making powers of enterprises, the state linked the economic responsibilities of enterprises, workers, and staff members, and the economic results produced by them, with the economic interests of enterprises, and aroused the enthusiasm of enterprises, workers, and staff members in production and management. The "Interim Provisions on Further Enlarging the Decision-Making Powers of State-Run Industrial Enterprises," promulgated by the State Council, enlarged the decision-making powers of enterprises in 10 aspects, thus starting off the program of enterprise reform.

While enlarging the decision-making powers of enterprises, the relations between the state and state-owned enterprises in sharing profits were gradually adjusted during the reform. From 1983 to 1984, our country put in place a two-step process of replacing profits by taxes, substituting a system under which the state only collected profits from state-owned enterprises to one under which the state simultaneously collected income taxes and profits, and also implementing a system of profit retention to further invigorate enterprises.

The "second campaign" of enterprise reform lasted from October 1984 to late 1991, during which enterprise reform was carried out on all fronts. Enterprise reform proceeded in line with the demands to correctly handle the relations between the state and enterprises to arouse the enthusiasm of enterprises, and to correctly handle relations between enterprises and workers to arouse the enthusiasm of workers and staff members. The main idea was to separate government administration from enterprise management, suitably separate ownership from management, and define state-owned enterprises as economic organizations that operate independently and assume sole responsibility for their profits and losses, and to form various types of economic responsibility systems based on this idea. The main method of reform was to implement the contract system of managerial responsibility in the majority of state-owned enterprises, to implement the leasing management system in some small state-owned enterprises, and to carry out reform experiments to establish the shareholding system and enterprise groups in a small number of enterprises. By 1987, about 95 percent of the nationwide state-owned

industrial and commercial enterprises implemented the contract system of managerial responsibility, under which relations between the state and enterprises were defined in the contracts, and the responsibilities, powers, and interests of enterprises were closely integrated and fulfilled. This served as a rather strong incentive. The state in April 1988 promulgated the "Law of the People's Republic of China on Public-Owned Industrial Enterprises," which provided a legal basis for the new system of state-owned enterprises, defined the status of state-owned enterprises as legal entities, and fixed the objectives of and provided legal guarantees for enterprise reform.

As we entered 1992, China began the third, and decisive, campaign of enterprise reform. During that period, enterprise reform moved from policy adjustment to institutional innovation, a new phase involving the establishment of a modern enterprise system that catered to the needs of a socialist market economy. A prominent feature of this critical reform process was that enterprise reform was carried out in accordance with the general objective of establishing a socialist market economy to shape state-owned enterprises into legal entities that were oriented toward international and domestic markets, and that functioned as a dominant force in market competition. Strong enterprises would triumph while weak ones would perish as they fight for survival and development in the market. In operating and management methods, we proceeded from China's national conditions and the realities facing enterprises, and borrowed and applied international practices that reflected socialized production and the general laws of market economics to gradually establish a modern enterprise system.

Bearing in mind the needs of transforming the operating mechanisms of enterprises, the country promulgated and implemented the "Regulations Governing the Change of Operating Mechanisms in State-Owned Industrial Enterprises" in July 1992, and through laws and regulations, defined the goals of changing the operating mechanisms of state-owned industrial enterprises to adapt the enterprises to market needs, and turn them into units that produced and dealt in commodities, were responsible for their own decisions about their operation and expansion and for their own profits and losses, and functioned as legal entities that independently enjoyed rights and undertook responsibilities under the civil law. The implementation of the "Regulations" effectively pushed forward the process of changing the operating mechanisms of enterprises, and enabled state-owned enterprises to gradually operate in line with the laws of market economics. At the same time, we continued to fine-tune the contracting system; rapidly expanded trial reforms to establish the shareholding system, set up enterprise groups, and lease, auction, and merge enterprises; and continued to improve relevant supplementary policies. A multi-tiered, comprehensive reform of state-owned enterprises was launched.

World-Renowned and Extraordinary Achievements

China's enterprise reform attracted a great deal of attention from the world. Practice proved that our country's enterprise reform, in addition to having started off well, scored extraordinary achievements in each phase.

The first achievement: State-owned enterprises, particularly large- and medium-sized ones, are still the backbone and dominant force in the national economy. The enterprises, besides sustaining the entire economy's development, also have become a unique asset of China's economy, as well as the main point of economic growth. At present, the output value of state-owned enterprises accounts for 60 percent of the total output value of industrial enterprises at and above the township level in the country, and the total profits and taxes of state-owned enterprises and the amounts delivered by them to state coffers, respectively, account for 70 percent and over 70 percent of the total amounts registered by these industrial enterprises. The actual strength of state-owned enterprises continued to grow during reform. From 1985 to 1992, the enterprises increased their net assets 4.6 times, from 545.79 billion yuan to 3069.7 billion yuan.

The second achievement: Tangible results were obtained in readjusting the ownership structure during the reform. A setup was formed in which public ownership constitutes the mainstay, the state economic sector forms the dominant force, and various economic sectors engage in fair competition, coexist over an extended period, and develop jointly. New changes took place in the forms of ownership and property alignment. Public ownership's role as the mainstay was not only reflected quantitatively—the assets owned by the state and collectives constituted the bulk of total social assets—but more importantly, public ownership was also superior in terms of quality and function. The state economic sector, with its role as a dominant force, occupied a commanding position in basic, key, and strategic industries, and brought about economic development in the nonstate economic sector through their controlling shares in that sector. At present, the public economic sector, including the collective-owned sector, accounts for about 90 percent of GNP.

The third achievement: We gained experiences in exploring ways to change the operating mechanisms of enterprises. Many methods were used in the process of reform to change the mechanisms of state-owned enterprises: We used legal means, in the form of contracts, to stabilize over an extended period the relations between the state and enterprises in terms of responsibilities, powers, and interests; the government and enterprises became equal main parties to legal contracts; and enterprises operated independently and assumed sole responsibility for profits and losses during the period, and within the limits of authority, stipulated in the contracts. Some enterprises, including state-owned enterprises, reorganized themselves in different ways through the

implementation of shareholding systems. There are now 11,500 shareholding enterprises in the country.

Some state-owned enterprises were transformed into group companies, and formed parent and subsidiary companies whose shares they hold or control. They led a number of enterprises to become legal entities that operated independently and assumed sole responsibility for profits and losses. By attracting foreign investment, we transformed state-owned enterprises into joint limited-liability or limited shareholding companies with Chinese and foreign investment, and Sino-foreign contractual joint ventures.

The fourth achievement: We made new breakthroughs in the concept and method of implementing enterprise reform. From merely invigorating individual enterprises in enterprise reform, we proceeded to invigorate state-owned enterprises as a whole by optimizing the structure of state-owned assets and invigorating the state economic sector. Instead of producing goods according to government planning, state-owned enterprises operated according to market demand, replacing administrative decrees with market mechanisms. We combined package reform with breakthroughs in key areas, progressing from single-item reform to comprehensive and mutually complementary reform.

The fifth achievement: We gradually improved laws and statutes governing enterprises. This paved the way for legalizing and standardizing enterprise reform, and enshrined the achievements of enterprise reform in the legal system. The "Enterprise Law" promulgated in 1988; the "Regulations on the Change of Operating Mechanisms in State-Owned Industrial Enterprises," the "General Rules for Financial Affairs of Enterprises," the "Standard Rules for Enterprise Accounting," "Suggestions Regarding the Norms of Limited Shareholding Companies," and the "Suggestions Regarding the Norms of Limited-Liability Companies," promulgated in 1992; the "Interim Regulations on Management of Stock Issue and Trading," the "Law of the People's Republic of China on Unfair Competition," and the "Company Law of the People's Republic of China," promulgated in 1993; and the "Regulations Governing the Supervision and Management of State-Owned Enterprises' Property," promulgated this year, provided legal guarantees with which to guide and promote the healthy development of enterprise reform.

Inherit the Past and Usher in the Future, and Shoulder Heavy Responsibilities

Remarkable successes in enterprise reform in the past 15 years gave fresh momentum to China's economic development and paved the way for the next round of enterprise reform. We will certainly move into the "fast lane" of reform when we follow 15 years of enterprise reform with in-depth reform to establish modern enterprises.

Undoubtedly, our country still has a long way to go in enterprise reform and many difficulties to surmount,

and its enterprises are still problem-ridden. The operating mechanisms of state-owned enterprises, particularly large- and medium-sized ones, still fall short of meeting the demand of market competition. It will be very hard for state-owned enterprises to compete on an equal footing with economically oriented enterprises, considering that the heavy burdens they inherit from the past has put them in an inferior position in market competition. We have not yet sort out the relations between management and ownership of state-owned enterprises; clearly define the rights and responsibilities of management and ownership; and really solve the issues of separating government administration from asset management, separating government administration from enterprise management, and separating management and ownership rights. The status of enterprises as independent legal entities and dominant force in market competition thus has not been established. Our efforts to readjust the organizational structure and product mix of enterprises have proceeded painstakingly, we have not thoroughly reversed the low economic performance of enterprises, and we still face great difficulty in deepening the enterprise reform. The markets for major elements of production have developed rather slowly, and reform of the macroeconomic structure, particularly the social security system, and transformation of government functions are lagging behind. All these factors have seriously impinged on the progress of enterprise reform.

There is only one way to solve these problems once and for all, and this calls for unremitting efforts to push forward enterprise reform and build a modern enterprise system. The modern enterprise system is a legacy of 15 years of conducting enterprise reform, whose establishment resulted from the deepening of enterprise reform and from enriching and developing the theory of socialist market economy. The system's establishment indicates that China's enterprise reform has moved to institutional innovation of enterprises from previous practice of emphasizing policy readjustment to delegate authority to enterprises and allow retention of more profits by them. The objectives of establishing a modern enterprise system are to find a microeconomic method to organically combine public ownership with market economics, and to find an effective enterprise organizational system for the state-owned sector in the market economy. Relevant efforts determine whether or not we will succeed in laying the foundation for the socialist market economy with Chinese characteristics.

The establishment of the modern enterprise system is an unprecedentedly complicated project, and a crucial phase in China's enterprise reform. We believe, under the guidance of Deng Xiaoping's theory on building socialism with Chinese characteristics and after repeated practices and explorations, we will definitely find a new way to establish the modern enterprise system, and will create, through unrelenting efforts, a modern enterprise system with public ownership as the mainstay.

Nearly 50 of World's 'Big Companies' Stage Comeback

HK1909050094 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 18-24 Sep 94 p 1

[By Xiao Wang: "World's Big Names Are Making a Comeback In China"]

[Text] Almost half a century ago, giant transnationals like Mobil Oil were expelled from China for fear of establishing a colonialist monopoly.

But time has changed the country's outlook and the big companies are staging a comeback.

Nearly 50 of them have won approval from the Chinese Government to set up holding companies in the country.

And 146 of the world's largest industrial groups have ensconced themselves in Shanghai, the superpower among Chinese cities. Altogether, they committed \$3.77 billion to some 300 projects in the city.

Though it was once called "Paris of the Orient," Shanghai—like the rest of the country—closed the door on transnationals and all other "capitalist things" after Liberation.

Transnational corporations became a symbol of imperialist hegemony and societal lust for money.

But now, many experts conclude: "Yes, they make money and, yes, they are profit-driven. But so what? They can make money for China, too."

Such economists, both Chinese and Western, are latching onto a consensus that massive investment from transnationals could be a pivotal element in China's future prosperity.

Their presence will help China build a solid industrial system to propel economic growth.

At present, economists argue, China's economic boom has benefited mainly from direct foreign investment of a smaller scale from international loans and foreign trade.

Until now, most foreign investment in China has served to promote the nation's light industry, which is far from able to bolster the economy on its own.

"Only transnationals can make substantial capital input in tapping the nation's natural resources in a balanced and effective fashion, as well as in sprucing up basic industries and infrastructure," an American economist noted.

To prevent possible monopoly by transnationals, the government can encourage the establishment of Sino-foreign joint ventures.

Currently, transnationals involved in industries and sectors deemed critically important to China—like petrochemicals and oil exploration—may not hold a majority share in those operations.

As Chu Xiangyin, professor of the Beijing-based University of International Business and Economics, puts it, China and transnationals have come a long way to realize that they need each other for growth.

An estimate by the World Bank claims that China's mainland, Hong Kong and Taiwan (together called Greater China) by 2002 would have an aggregate gross domestic product that dwarfs Japan's and Germany's.

When it comes to investment in the mainland, transnationals often bear in mind potential benefits that may fall on them from proximity to the adjacent Hong Kong, Taiwan, and Macao markets, which are more closely tied to the international business circles.

Chu said more transnationals coming to China will help the country expand exports via their established business channels worldwide.

"Although transnationals may squeeze domestic enterprises in certain industries, bring in projects that may lead to pollution, and engage in tax evasion, it's unwise to reject them altogether," Chu said.

A report by the United Nations shows that investment by transnationals has been the most active element in the recent recovery of the world economy.

Last year, the world's transnationals reported a combined capital outflow of \$195 billion, \$24 billion more than the previous year.

State Boosts Support for Underdeveloped Regions

HK1609140094 Beijing RENMIN RIBAO in Chinese 15 Aug 94 p 1

[By Fei Weiwei (6316 0251 0251): "State Supports Central and Western Regions in Terms of Policy and Funds To Boost Their Economic Development"]

[Text] The State Planning Commission has disclosed that in order to expedite the economic development of the central and western regions and gradually narrow the gap with the eastern coastal regions, since the Eighth Five-Year Plan, particularly during the past two years, the CPC Central Committee and State Council have adopted measures to offer support in terms of policy and funds, which has given impetus to the economic development of the central and western regions.

First, support given for investment in capital construction. During the Eighth Five-Year Plan and for a period in the future, the western regions will enjoy equality in preferential policies in the distribution of energy and large and medium-sized projects. As the proportion of investment in society as a whole by the central government is dropping each year, its investment in the western regions will increase. When large projects in the central and western regions become operational, they will bring economic development. These projects include the Three Gorges water control project, the Tarim Oilfield, a hydropower station in the southwest, the northern

Shaanxi Oilfield, the Shenfu Dongsheng coal mine, and the Lianyungang-Huoguang continental bridge.

Second, support given to help the poor in central and western regions. The state has increased funds to help the poor by a wide margin, which reached around 10 billion yuan by 1994, of which most will be allocated to the central and western regions. Of the key 592 counties selected by the state to receive aid, 86 percent are in the central and western regions. Of the annual relief funds of 4 billion yuan, 80 percent is distributed in the central and western regions and is used mainly in farmland, transportation, irrigation, and other basic facilities.

Third, vigorously support the development of township enterprises in the central and western regions. According to the "Decision on Speeding Up Development of Township Enterprises in the Central and Western Regions," taken by the State Council last year, a special loan of 10 billion yuan will be granted every year from 1994 to 2000 to township enterprises in the central and western regions. In addition, an "East-West cooperation" project will also be implemented to urge economically developed regions in the East to nurture the development of underdeveloped regions in the central and west.

Fourth, readjust policies and offer preferences. The newly established State Development Bank has made a decision on continuously granting loans to support power construction projects in the old base areas, remote areas, regions inhabited by minority nationalities, and poor regions in the center and West. On attracting foreign capital, long-term preferential foreign loans will go mainly to the central and western provinces and regions. The state will also mainly allocate support-the-poor funds to the central and western regions.

Statistics Bureau Reports Half-Year Foreign Trade Figures

HK1909152094 Beijing ZHONGGUO XINWEN SHE
in English 1321 GMT 19 Sep 94

[Text] Beijing, September 19 (CNS)—According to the latest figures provided by State Statistical Bureau today, by the first half year, China had accumulatively approved 199,687 foreign-funded projects, contracted foreign capital US\$266 billion and actually utilized foreign capital US\$76.6 billion.

State Statistical Bureau said, at the moment, foreign investment had extended from coastal areas to inland provinces. Since a series of measures being implemented on taxation, finance, foreign exchange, foreign trade, etc. early this year, there had been a great rise in actual foreign investment, leading to an increasing rate of capital in place. Only in the first half of this year, overseas investors actually injected US\$14 billion, about 20 percent of China's total sum of actual foreign capital input. Furthermore, the quality of foreign capital has been upgraded, with an increase number of transnational, high-tech, basic and big projects. The average

scale of investment was extended from US\$1.344 billion in the first half of 1993 to 1.73 billion of the same period of 1994. Export of foreign enterprises reached US\$13.47 billion, accounting for 27.8 percent of China's total export.

China's technology trade has developed quickly since its opening and reform 17 years ago. Up till the first half year, China had signed with foreigners 5,621 contracts on technology, amounting to US\$42.39 billion in total. The two figures had respectively increased by 5.68 times and 2.57 times over the accumulation of 28 years before China's opening and reform.

In introducing technology, China implemented policies that quickened the development of energy industry focusing on electricity, raw material industries focusing on metallurgy, dye and petrochemistry, transport industry focusing on comprehensive transport system as well as telecommunications industry focusing on information communications system. Thus China's basic industries no longer lag behind other countries. By 1993, China had imported technology from as many as 29 countries and regions, with Japan, Italy, Germany, America, France, Russia, Canada, Switzerland and Britain being its main sources.

Since its reform and opening, China has ended its history of just importing technology and started to develop its own technology export. At present, China exports technology to more than 70 countries and regions which are mainly developing ones. In recent years, however, it has more and more technology export to advanced countries such as America, Japan, Germany, France, etc. Export of complete sets of equipment is the main pattern of technology export. By the first half of this year, China had accumulatively exported 2,143 technical projects and contracted US\$7.74 billion. More than 20 industries were involved, namely energy, machinery, electronics, metallurgy, chemical industry, light textiles, petroleum, shipping, optics, instrument and meter, computer software, building materials, agriculture, medicine, etc. Some high-tech projects even had markets in America, Japan and Western Europe.

In 1993, commodities worth US\$195.71 had been imported or exported through China's Customs, with US\$91.76 billion being export. The two figures were respectively increased by 171 times and 167 times over that of 1950, 8.5 times and 8.4 times over that of 1978. There was also an obvious improvement in the structure of imports and exports. The proportion of industrial products for imports and exports has increased from 46.5 percent in 1978 to 83.1 percent at present, whereas the proportion of primary products dropped from 53.5 percent to 16.9 percent. Among imported commodities, the proportion of industrial products has reached more than 87 percent. China's foreign trade also experienced a big jump in status in global trade, from 32nd in 1978 to 11th in 1992. China still ranked 11th in 1993, with its turnover in global trade accounting for 2.6 percent, an increase of 0.4 percent over 1992.

Statistics Reveal Continued Inflation in August*HK1709063194 Beijing ZHONGGUO XINWEN SHE
in English 1220 GMT 16 Sep 94*

[Text] Beijing, September 16 (CNS)—China's price continued to climb quickly in August. Following obvious growth in industry, sales, bank cash debit, etc, the macro economy was on the threshold of a red area, which needed a lot of concern.

August figures revealed a 25.8 percent rise in consumer price and a 23.5 percent increase in consumer retail price. From January to August, accumulatively, consumer price had increased by 22.8 percent and consumer retail price by 20.4 percent, of which urban area grew by 20.1 percent while rural area by 20.9 percent. Therefore growth rate of the rural area was 0.8 percent higher than that of urban areas.

Price spiraled again was mainly because of three reasons. First, inadequate market supply led to price increase. Most districts suffered from huge losses this year because of frequent droughts and floods that seldom occurred in history. Owing to the stringent supply of some agricultural products, there was a rise in price. Second, rapid salary increase led to a continuous price hike. Third, in the first year, prices of commodities such as grain that concerned the national economy and the people's livelihood had been raised with official permission, which in turn led to a chain of price rises of related commodities. Others took the opportunity to raise prices of their products.

Beijing people noticed that despite the effort of the central and local governments to curb the price hikes, August prices still increased rapidly, indicating it would still be a hard job to curb inflation in the coming future.

According to analysts, if prices continue to rise, price rise of the whole year may reach 20 percent.

At present, the rocketing price has attracted the attention of the central government, and some effective measures have been implemented. To curb inflation in the coming months has now become a matter of great importance.

State Statistical Bureau Reports on Industrial Growth*OW1809141794 Beijing XINHUA in English 1314
GMT 18 Sep 94*

[Text] Beijing, September 18 (XINHUA)—China's industrial output in 1994 is expected to break the 5,000-billion-yuan mark for the first time in the country's history, official sources said today.

A double-digit industrial growth for the whole year is now out of question, the State Statistical Bureau said.

The prediction reinforces the view that China is creating an economic miracle rarely seen in the world before.

For the past 45 years, the country's industrial output has been increasing at an average rate of 13.8 percent annually.

The industrial development has contributed to a greater role of China in the world economy, observers here say.

Since 1949 when the people's republic was founded, the state has invested a total of over 2,000 billion yuan in industrial development, setting up more than 13,000 large and medium-sized industrial enterprises.

To date, China has established over 500 industries, covering all those under the internationally recognized category.

The state can now rely on its own strength to develop major industries of mining, power generation, metallurgy, petroleum, chemicals, auto-making, shipbuilding and aerospace.

The government has given policy priority to the heavy industry, including energy, raw materials and equipment manufacturing.

The ratio between the light and heavy industries has improved during the past 45 years, from 73.6 versus 26.4 in 1949 to 44 versus 56 in 1993.

The state's industrialization drive has resulted in a rapid growth in the output of major industrial products:

- The output of raw coal reached 1.15 billion tons to top the world in 1993, which was compared to 32 million tons in 1949, the 9th in the world;
- The steel output was 89.6 million tons in 1993, the world's 4th, compared to 160,000 tons in 1949, the world's 26th;
- The volume of electricity generation was 839.5 billion kwh in 1993, the number 4 in the world, in comparison to 4.3 billion kwh in 1949, the 25th in the world;
- Also leading the world in 1993 were industrial products of tv sets, cement, cloth, chemical fibre, fertilizer and crude oil.

The state statistical bureau said that since China implemented the policy of reform and opening to the outside world in 1978, the industrial development has entered a new era.

As the reform has been deepening, enterprises are now more market-oriented and paying closer attention to the competitiveness of their products.

During the past 15 years, the national economy has been more vigorous as the industrial structure has changed from the previous sole state ownership to a diversified pattern composed of collective, individual and foreign-funded sectors as well as the state ownership.

As the state is currently on its way to the establishment of a socialist market economy, the industrial development is expected to be further enhanced, thus speeding

up the process of China becoming one of the world's advanced industrialized countries, economists say.

Nation Ranks First in World for Publications

*OW1609165594 Beijing XINHUA in English 1533
GMT 16 Sep 94*

[Text] Beijing, September 16 (XINHUA)—By publishing 90,000 titles of books this year, China will, for the fourth consecutive year, rank first in the world in terms of the number of published books.

Each kind of book is expected to sell thousands or even millions of copies in China's market of 1.2 billion people, beating all foreign publication giants.

The Press and Publications Administration said here today that the government-planned key publication projects are being carried out smoothly, with the country's first 74-volume encyclopedia as well as a 60-volume "China's Complete Fine Arts" and other series published.

A nationwide wave to publish books on economic subjects is still hot. These books provide readers with renowned scholars' views on the market economy as well as trading and commercial techniques in detail, according to Chi Naiyi, a vice-director of the Publications Department of the administration.

Publishing houses are so interested in veteran revolutionaries' life stories that piles of books on Mao Zedong and Deng Xiaoping have always formed one of the most eye-catching displays in all bookstores.

As China is seeking to become a modernized country, Chi said, scientific and technological books have also become one of the most popular genres. Readers can easily find any subjects they want, from the latest computer science to methods of feeding pigs.

Meanwhile, literary works have staged a comeback in recent years with more novels being marketable. Masterpieces from both China and overseas are welcomed.

China has set up special funds in different departments to guarantee the publication of academic works, which usually have small readerships, Chi said.

And it is conducting an experiment in publishing books with foreign capital.

"As a big publishing nation, China is attaching importance to the upgrading of the quality and efficiency of the industry," he added.

China has launched major crackdowns on illegal publications to safeguard copyrights and ban books with pornographic or violent contents this year.

There are about 540 publishing houses in the country, with 45,000 workers. However, so far, private publishing houses are still banned by the government.

In the meantime, the country is mapping out its first publications law, Chi said.

Statistical Bureau Says Technology Trade Expanding

*OW1909142094 Beijing XINHUA in English 1234
GMT 19 Sep 94*

[Text] Beijing, September 19 (XINHUA)—China is striving to expand its technological exports while importing advanced technology from overseas for its economic development.

The State Statistical Bureau said today that China has exported its technological achievements to more than 70 countries and regions for the past 16 years.

This presents a dramatic contrast to 16 years ago when technological export was nil in the state's foreign trade.

By the end of last June, China had sold 2,143 technological items to overseas with a total contracted value of 7.74 billion U.S. dollars, the bureau said.

China's technological exports are dominated by whole-set equipment, along with technical service and technological license.

The exports cover over 20 industries including energy, machinery, electronics, metallurgy, chemicals, petroleum, shipbuilding, computer software and pharmaceuticals.

While the exports are mainly targeted for developing countries, those exported to the United States, Japan, Germany, France and other developed countries are on the rise.

Meanwhile, the bureau said that China, as a developing country, has given priority to imports of advanced technology under its trade policy, which are needed in its economic development.

For the past 16 years, China has imported 5,621 technological items from 29 countries and regions, valued at 42.39 billion U.S. dollars.

Most of the imported technological items have been applied in China's energy, raw materials, transport and telecommunications industries and promoted the improvement of the industrial structure of China, the bureau said.

More Laborers Working Abroad

*OW1909031694 Beijing XINHUA in English 0226
GMT 19 Sep 94*

[Text] Beijing, September 19 (XINHUA)—More than 194,000 Chinese are now working at construction sites, factories and in various projects in 164 countries and regions under different labor contracts, according to the latest report from the State Statistics Bureau.

These laborers undertook the projects contracted by Chinese companies covering fishing, textile, forestry, prospecting, and the construction of metallurgy, harbor, roads, electricity, telecommunications, machinery, oil projects and irrigation.

By the end of July this year, China had signed 51,117 labor export contracts worth 35.77 billion U.S. dollars, according to the figures quoted by the newspaper of "CHINA COMMERCE."

As Chinese labor export companies highly value credit and workers abide by the laws of the countries they work for, Chinese workers are enjoying a high prestige overseas, according to the report.

Article Views Utilization of Hired Labor

HK2009092294 Hong Kong TA KUNG PAO in Chinese
15 Aug 94 p 17

[Article by Beijing University Professor Li Yining (0632 0110 1380): "How Should Hired Labor Be Viewed in Operation by Self-Employed Businessmen?"]

[Text] In China, hired labor in operations run by self-employed businessmen is not unusual. Those operating with hired labor include self-employed businessmen engaged in industry and commerce, specialized agricultural breeders, mountain forest contractors, and also private enterprise owners. Some have said that this is a kind of mutual aid activity; others, that those owners of operations using hired labor were doing a good job for society and helping to solve the employment problem. There are still others, however, who have said that this is incompatible with the nature of socialist society, and that at most, it should be allowed to exist on a temporary basis only. It is not necessary for us to go into a specific debate, but as a member of the academic circles, it should be all right to give my view.

To analyze the phenomenon of self-employed businessmen—as investors in a socialist society—hiring labor, let us study the following points in proper order:

First, as investors, self-employed businessmen surely will consider before hiring labor that production and operation are profitable. If hiring labor is not profitable or is money-losing, how will it be possible for self-employed businessmen to hire labor? Even if they believe beforehand that hiring labor will bring them profits, but discover afterward that it is not profitable or is money-losing, hiring labor still will be suspended and the self-employed businessmen will dismiss the laborers they have hired. Thus, it is not necessary to consider whether it is in the public interest that they are engaged in hired labor. The motives of self-employed businessmen in hiring labor are to make profits. As for whether or not hiring labor benefits society, this is not something to be considered—or first considered—by those who hire labor. In other words, whether or not the conduct of hiring labor by self-employed businessmen is beneficial to society and to the development of social productive

forces, it is the objective results of the conduct that matter. In evaluating self-employed businessmen's hiring of labor, we should not proceed from its motives, but from its objective results. If we proceed from its motives, we can draw only the judgement that "self-employed businessmen intend to make money by hiring labor," i.e., the judgement that a part of the profits created by hired laborers will go to those who hire them. Then we will easily come to the view that self-employed businessmen's hiring of labor should not be allowed.

Second, when we say that hiring labor benefits the development of social productive forces, this is the result of an overall study of the conduct of self-employed businessmen in hiring labor, and not a judgement on the conduct in hiring labor by specific self-employed businessmen. When they hire labor, the projects they operate may not conform with the policies and regulations of the state, which naturally will produce consequences that do not benefit society. When they hire labor, the supply of the products they turn out may exceed demand, and the products may not meet consumers' needs, which naturally will produce consequences that do not benefit society. When they hire labor for production, the rate of utilization of resources may be low, resulting in extremely irrational use of resources, which also makes it very difficult to say that this benefits the development of social productive forces.

We admit that this or that kind of situation may exist in society, but in evaluating the conduct of self-employed businessmen—as investors—in hiring labor, we should study the issue in an overall manner. That is to say, supposing that self-employed businessmen's hiring labor for production and operation is in conformity with state policies, that the products they turn out meet consumers' needs, and that it will not lead to irrational use of resources, then taken as a whole, it is conducive to providing products needed by consumers, beneficial to the increase in the number of people employed and to the increase in tax revenues, and thereby beneficial to the development of social productive forces, then this is the reason why self-employed businessmen's hiring of labor is allowed under the conditions of socialism.

Third, a part of the income of the employers—as self-employed businessmen—is created by the laborers they hire, and there exist marked differences in income between employers and hired laborers. These are facts that cannot be evaded. Can one thus maintain that self-employed businessmen's hiring of labor is improper? This is also a point that causes disputes. It should be pointed out that because self-employed businessmen's hiring of labor is allowed, this means that employers are allowed to make profits. It also means that there can be certain differences in the income between employers and hired laborers. Otherwise, even if self-employed businessmen's hiring of labor is allowed, it actually is still difficult to bring about the hiring of labor by self-employed businesses. Therefore, we should mainly study: Have employers paid taxes according to law in

production and operation, or have they not? Have they or have they not paid remuneration to hired laborers according to regulations laid down by the law? Have they or have they not abided by relevant regulations on labor conditions, labor safety, work hours, welfare for hired laborers, and other aspects? As long as they are law-abiding in these aspects, they should not be prohibited from hiring labor because their after-tax incomes are somewhat higher.

With regard to the fact that hiring labor is a mutual-aid behavior, it writes out the difference in the number of hired laborers. Supposing self-employed businessmen hire just a few helping hands in the course of production and operation, and the investors themselves are main labor forces—it is then justifiable to say that there are mutual aid factors here (including workers learning skills)? Under the circumstances of a large number of hired laborers, however, we cannot say this. That we cannot say this and admit in a straightforward manner that these are profit-making activities, does not mean that we are negating the hiring of labor, still less does it mean that we want to abolish it.

Northwest China Upgrades Telecommunications

OW2009094394 Beijing XINHUA in English 0830
GMT 20 Sep 94

[Text] Yinchuan, September 20 (XINHUA)—A modernized telecommunications network has taken shape in northwest China, which covers Shaanxi, Gansu, Ningxia and Qinghai provinces and the Xinjiang Uygur Autonomous Region.

By the end of June this year, northwest China had a total of more than 1.38 million local telephone lines and over 70,000 long-distance telephone lines, respective increases of 4.4 times and 11.5 times compared with 1988.

Economists attribute the rapidly developing telecommunications industry to surging foreign investment, increasing foreign trade and regional cooperation.

The region, which has a vast area and a thin population density, began to update its telecommunications in the late 1980s. Over the past five years or so, a number of digital, microwave, cable and satellite ground receiving equipment have been introduced, and 75 percent of the more than 1.3 million telephone lines are program-controlled. Mobile telephones, pagers and digital telex are also popular in major cities of the region.

The telecommunications network is expanding to remote areas. Areas which were isolated from the outside world for hundreds of years have entered international and domestic direct dial networks.

The improvement of telecommunications has beefed up foreign investors' enthusiasm and economic efficiency in the region. The overseas investment volume from more than 40 countries and regions, including the United

States, Japan, the Republic of Korea, Hong Kong and Southeast Asia, over the past three years has surpassed the total for the previous decade.

In 1994, the central and local governments will invest nearly four billion yuan in the industry, a record in the region's history. More than 20 telecommunications projects have already been completed.

Li Lanqing Attends Closing of International Economic Seminar

OW1609181594 Beijing XINHUA in English 1417
GMT 16 Sep 94

[Text] Beijing, September 16 (XINHUA)—Chinese Vice-Premier Li Lanqing met with foreign participants at an international symposium here today.

The participants are here to attend a four-day international symposium on China's economic development and economic co-operation in East Asia.

The meeting, sponsored by the China Center for International Studies and Japan's Foundation for Advanced Information Research, ended late today.

Macrocontrol on Investment in Fixed Assets To Continue

OW1809034194 Beijing XINHUA in English 0316
GMT 18 Sep 94

[Text] Beijing, September 18 (XINHUA)—China is to continue its macro-control policy over investment in fixed assets in the coming months, the BUSINESS WEEKLY asserted.

The State Development Bank, one of China's three policy-oriented banks, will supply loans strictly in accordance with the state plan for fixed assets investment and credit.

The paper quoted an official with the bank as saying that the amount of credit to every such project should adhere to the planned scale.

The bank, established in April this year, will exercise strict control over projects which started construction this year, as it is under pressure brought about by the quick growth of new projects to be launched later this year.

Loans to small projects not listed in the state plan will also be put under strict control.

But, the official said, the bank has listed projects to be given top priority in credit supply. The list includes 107 key state projects.

In addition, the bank will also have to make painstaking efforts to ensure financing for the 65 projects which are expected to begin production this year.

The bank will try to put the general scale of fixed assets investment under strictly control.

'National Day' Article Views Information Industry
OW1909011094 Beijing XINHUA Domestic Service in Chinese 0816 GMT 14 Sep 94

["National Day Special" series by reporter Sun Jie (1327 2638)]

[Text] Beijing, 14 Sep (XINHUA)—What was a relatively unfamiliar word to many people a decade ago, "information" has become a widely used term in China's economic life today. The information industry has rapidly developed into a state industry comprising the information service and information technological and equipment manufacturing industries.

According to statistics, China has now established 12 large-scale computer utility systems, over 100 information networks, and more than 800 data bases with some 50 million information records. The information market's annual sales volume exceeded 8 billion yuan while the nationwide information service industry enjoyed a 25-30 percent annual growth rate. Currently, China has over 60,000 information service organizations and enterprises of various categories with a work force of over 1 million people—respectively a seven- and six-fold increase over 1983. The electronic information service industry's annual business volume was approximately 4 billion yuan.

The inscription, "Developing Information Resources To Serve the Four Modernizations," written by Comrade Deng Xiaoping in September 1984 for the JINGJI CANKAO BAO [ECONOMIC INFORMATION DAILY] has not only identified the development direction of China's information industry, but also has provided a dynamic force and guidance for its development. From then on, China's information industry gradually grew along with its reform and opening-up efforts. Since the Seventh Five-Year Plan, the state has invested over 20 billion yuan for the establishment of 12 state economic, scientific and technological, posts and telecommunications, electric power, customs, and civil aviation information systems; of subdivided exchange-data networks that cover 30 provinces, municipalities, and autonomous regions; and of the state satellite communication systems that include five satellite communication ground stations and 35,000 ground receiving posts. China's information industry has been playing an immeasurable role in various fields in the past decade. In utilizing the electronic information technology for transforming the traditional industries alone, the industry has renovated over 50,000 machines tools, over 5,000 key production installations and production lines (sets), and more than 6,000 industrial kilns, reaping a 16 billion yuan benefit.

Reform and opening-up has promoted China's economic development, which in turn has advanced the information industry. It has been observed that China's information industry has undergone four noticeable changes

in the past decade: First is the completion of the nationwide restructuring of China's largest scientific and technological information system, ascertaining its direction to serve economic, social, and scientific and technological development; and bringing about organizational adjustments, division of talents, and change of mechanisms. Second is the development of China's information-related work from a simple scientific and technological information service to a national comprehensive information system covering all trades and professions. Third is the information industry's development from a traditional information gathering, analysis, research, processing, and service industry to a highly specialized consulting service industry. Fourth is the information service industry has expanded itself from an industry serving scientific research, education, and government departments to an industry that integrates information service, information consulting, computer, telecommunications, networks, and multimedia; with involvements in services, research and development, and large-scale production.

China's information industry has entered the development "fast track." According to China Information Association experts, the coming decade will be a fast-developing period for China's information industry. The "Gold Card Project" [jin ka gong cheng 6855 0595 1562 4453], the "Golden Bridge Project" [jin qiao gong cheng 6855 2890 1562 4453], and the "Golden Pass Project" [jin guan gong cheng 6855 7070 1562 4453], identified by the state in late 1993, will be the pioneering projects to bring the state economy into the information era. The "Golden Bridge Project" will not only be the infrastructure for the national economy to enter the information era, but will also be the common, key network of the state information networks. It will start with a "medium-speed information highway" before turning itself into a "high-speed information highway" in the future.

Public Ownership To Continue as Mainstay

HK2009055094 Beijing RENMIN RIBAO in Chinese 12 Sep 94 p 5

[Article by Lu Dong (0712 2639): "Persist in Guiding Principle of Taking Public Ownership as Mainstay and State-Owned Economy as Leading Factor"]

[Text] The socialist market economy must be built on the basis of keeping the state-owned enterprises as the dominant factor, and invigorating state-owned enterprises is the microeconomic foundation for the establishment of the socialist market economy structure. We have been working very hard over the past 10 years and more for the invigoration of state-owned enterprises. At present, under the new situation in which macroeconomic reform measures have been adopted gradually and smoothly, promoting the development and reform of state-owned enterprises and invigorating large and medium-sized state-owned enterprises have become the key point of all major tasks in our future economic work.

The development of state-owned enterprises is the foundation for the overall prosperity of a socialist country. In the course of persistently carrying out the party's basic line and building socialism with Chinese characteristics, we must continue to take the public economy as the mainstay of the national economy, and take state-owned enterprises as the main force. Comrade Xiaoping made profound expositions on this point. He said many times that "poverty is not socialism." We should strive to make our people well-off, and our country strong and prosperous by greatly developing the productive forces. This is also the fundamental objective of our party. However, we are not just trying to make a small number of people well-off; instead, we are striving for the eventual "common affluence" of all the people. Comrade Xiaoping said: Even if our GNP were to reach \$1 trillion, "according to the capitalist pattern of distribution, most people still would be unable to shake off poverty and backwardness." "It is likely that a small number of people in some areas will get rich more quickly and thus form a new bourgeois class and bring about a number of millionaires, but such people will not account for more than 1 percent of the total population, and the vast majority of the people still will be unable to shake off poverty and may even be unable to get sufficient food and clothing." "Then, another revolution will break out in China." Comrade Xiaoping also said: "What makes socialism different from capitalism is its characteristic of common affluence rather than polarization." He added: "As long as public ownership remains the mainstay of our economy, we will be able to prevent polarization." Therefore, "in the course of reform, we should always adhere to two fundamental principles, namely: Keeping the socialist public economy as the mainstay, and seeking common affluence." The state-owned enterprises, especially large and medium-sized ones, constitute the backbone of the public economy. They function as the foundation, the backbone, and the main force of the national economy as a whole. Invigorating state-owned enterprises, and promoting their healthy and high-speed development is a task of crucial importance for the realization of the socialist objective of common affluence, the fulfillment of the three-step economic development strategy, and the wellbeing of the whole nation.

The development of state-owned enterprises supports the whole process of modernization, reform, and opening up. In the early years of the PRC, the establishment and development of state-owned enterprises enabled us to concentrate manpower, material, and financial resources on efficiently laying the foundation for industrialization at a time when our country remained a poor and backward agricultural state. An independent and comparatively integrated industrial system was built up in a rather short period of time. The industrial system became a solid and firm foundation for the development of the national economy as a whole. In particular, in the last 10 years and more, the system supported the process of modernization, reform, and opening up. For example,

special economic policies were carried out in Guangdong and Fujian; four special economic zones were set up in Shenzhen, Zhuhai, Shantou, and Xiamen; many economic development zones were established in the coastal, riverside, and border areas; and a nonstate economy was developed. Without the solid foundation of the state-owned economy, it would have been hard to accomplish all these things. According to rough statistics, between 1978 and 1992, state-owned enterprises provided the national economy with more than 140 million kilowatts of electrical generating capacity; 580 million tonnes of steel products; 1.8 billion tonnes of crude oil; 12.6 billion tonnes of coal; and gigantic and systematic railway, harbor, and other transportation facilities. They undertook to drastically increase productive activities so as to support people's production and daily lives. Over 80 percent of the state's expenses were provided by the state-owned economy. In the past, state-owned enterprises made great contributions to the establishment of the industrialization system in the new China. Today, they continue to provide important economic conditions for advancing reform and opening up in our country, and for the establishment of the socialist market economy, and they continue to play an extremely important role in the new struggle.

The prominent problems and deep-rooted contradictions existing in state-owned enterprises. Since the beginning of reform and opening up, reforms in state-owned enterprises have been developing continuously and in depth, and have achieved great results. However, because the state-owned enterprises were deeply affected and constrained by the old system, and always carried heavy burdens, in the process of transition from the old system to the new, many problems and contradictions were laid bare. Different types of enterprises may be facing different difficulties and contradictions, but in general, the contradictions left over from history were fundamental factors restraining the development of state-owned enterprises.

First, the operational mechanisms cannot meet the demands of market competition. In state-owned enterprises, property rights and responsibilities are not explicitly defined and fixed, and their status as independent legal persons and economic entities in market competition have not been definitely established yet. The implementation of the two sets of regulations was a step for increasing the self-accumulation and self-development ability of the enterprises, but the regulations were not fully and effectively implemented in some enterprises. Some enterprises did not transform their operation mechanisms effectively and sufficiently, or their internal management reform remained in a stagnant and loose condition. In some areas, the functional transformation of the government departments concerned did not keep pace with the development of the overall reform situation, and this seriously restrained the process of enterprise reform. The social security system was not perfectly established and did not function soundly, and this also

made it hard for the enterprises to reform their employment system and to adjust their production and management structure.

Second, the structure of the existing assets remained in an unreasonable condition. The state-owned enterprises were set up according to the previous layout of the planned economy, and there are some points in their setup which are inappropriate to the operation of the current market economy. For example, the capacity of the basic industries is insufficient, the capacity of some processing industries is surplus, and some new industries have not been developed properly. Many industrial processing enterprises are located far from raw materials production bases, and have to purchase raw materials at high cost. This has weakened their competitive power in the market. Some mining enterprises are facing the shrinkage of exploitable resources, and are finding it hard to launch new mining projects elsewhere. Some enterprises are located in residential areas in large cities, and their production development is sharply contradictory to the improvement of the city's functions. Many enterprises, large or small, have "comprehensive" productive and social functions, and they cannot operate economies of scale. The rationalization of the asset structure in state-owned enterprises is an urgent and arduous task for the time being.

Third, heavy debt burdens and insufficient operating funds. Over a long period of time in the past, the depreciation rate adopted by state-owned enterprises was too low, and they had to carry tax burdens that were too heavy. In addition, the state's appropriations to the enterprises were replaced with bank loans in recent years. After handing over their profits to the state, the enterprises still had to pay interest to the banks. Thus some older enterprises were running in increasingly difficult financial conditions. According to a survey conducted by the State Economic and Trade Commission, in more than 3,000 enterprises in 16 cities which were carrying out comprehensive reform on a trial basis, the average rate of debt reached 70 percent. On the one hand, the excessive debt burdens affected the stability of production and operation, distorted the investment behavior of the owners into the enterprises' debt-contracting behavior, and imposed unnecessary debt burdens on the enterprises. On the other, this can hardly form an effective mechanism for financial control, and will simply make the enterprises rely more and more heavily on the banks.

Fourth, the enterprises have to take care of many redundant workers and shoulder social welfare burdens that are too heavy. Over a long period of time in the past, state-owned enterprises performed the social functions of providing jobs and social welfare for the general public. The state's policy of guaranteeing the employment of the entire urban population was carried out through the state-owned enterprises, and this was stipulated in written form in many aspects. As a result, the enterprises had to take care of their workers and their

families—from young to old, and from birth to death. In order to solve the employment issue, many enterprises had to let five workers share the work of three. It was estimated that the redundant personnel in state-owned enterprises accounted for 20 to 30 percent of the total number of workers they employed. In recent years, some substantial changes were made through continuous experiments and explorations, but overstaffing remains a serious condition in the enterprises, where the employment structure is unreasonable and the proportion of retired workers is too high. The enterprises still shoulder heavy social welfare burdens, and this seriously restrains the enhancement of their economic dynamism and efficiency.

It is necessary to determine a scientific strategy for the development of state-owned enterprises. The development of state-owned enterprises is facing a point of making strategic decisions. One opinion holds that with the pluralization of the economic elements, state-owned enterprises may be privatized gradually, and eventually may cease to exist. This is an extremely erroneous idea. If no state-owned enterprise continues to play a leading and dominant role in the development of the national economy, it will be absolutely impossible to keep the public economy as the mainstay of the national economy. Under socialist market economy conditions, it is necessary not only to maintain a large number of state-owned enterprises, but also to ensure their development and growth. Of course, this does not mean that the number of state-owned enterprises should be increased unlimitedly; instead, their quality and economic efficiency should be further improved, and their status and role should be strengthened. This requires the formulation of a long-term strategy for the development of state-owned enterprises.

First, the scope of developing state-owned enterprises should be concentrated mainly in the industries and trades representing the lifeline of the national economy. For example, this should include such public utilities and infrastructural facilities as postal and telecommunications service, transportation, harbors, and water and electrical power supplies; such basic industries as mines, coal production, petroleum, electric power, iron and steel; such pillar industries as heavy machine-building and automobiles; and the military and other high-tech industries that require gigantic investment. Of course, this also should include the banking and insurance industry. **Thus this requires the adjustment of the existing state-owned enterprises, and the production and enterprise structures, as well as the reorganization of existing assets.** **Second, compensation should be paid to and investments made in state-owned enterprises in a certain scope of development.** As the rate of depreciation was too low over a long period of time and enterprises had to hand over excessive amounts of funds, the enterprises could not be replenished with the working funds they needed and were forced to eat off their assets. After the implementation of the two sets of regulations, the condition of their working funds improved somewhat as the

rate of depreciation was raised, though the regulations still cannot be properly implemented in many enterprises. In some industries where technological progress has been made rather rapidly, the rate of depreciation should be raised further. Additional input should be made in some key large and medium-sized enterprises that are supported by the state, but running seriously in the red and requiring urgent technological transformation. The forms of additional investment can vary according to the different conditions of enterprises. Some enterprises and projects, such as the Baoshan Iron and Steel Complex and the 1.7-meter steel rolling workshop of the Wuhan Iron and Steel Complex, should have direct investment from the state. In some state-owned enterprises, the effective input-output contract system can be carried out continuously. On the surface, this is the continuing practice of reducing taxes and leaving more profits in the hands of the enterprises. In essence, the state adopts the policy means to encourage enterprises to increase their profits. This is the investment behavior of the investor to the enterprise in the form of a responsibility system. Moreover, some small state-owned enterprises that are not managed properly may be sold out or allowed to go bankrupt, and the income may be shifted to other large- and medium-sized state-owned enterprises. It is necessary to raise the scientific and technological level of state-owned enterprises. We have achieved great results in terms of introducing advanced foreign technology. Henceforth, we should continue to do this in order to raise the technological level of industry in our country. However, once the advanced technological is introduced, we still should continue to digest and absorb it, in order eventually to build up our ability to develop such technology independently. Henceforth, state-owned enterprises gradually should move onto the path of independent development in making technological progress. Finally, state-owned enterprises should give play to their advantages of possessing intensive investment, and strong technological and personnel resources, in order to rapidly form economies of scale. Through reorganization in light of the corporate model and through the development of enterprise groups, they will form a number of huge state-owned corporations that will bolster the national economy and conduct transnational operations.

Agricultural Modernization Makes 'Noticeable' Progress

OW1909031894 Beijing Central People's Radio
Network in Mandarin 2230 GMT 14 Sep 94

[Special serial report marking 45th PRC National Day "Noticeable Results Have Been Achieved in Agricultural Modernization"; from the "News and Press Review" program]

[Text] Over the past 45 years, some 240,000 km of river dikes have been built or repaired across the country; more than 80,000 dams have been constructed; and the acreage of effectively irrigated farmland has exceeded

700 million mu, or nearly 50 percent of the country's total cultivated land. Nearly 80 percent of the country's abnormal terrains of more than 300 million mu has been initially reconditioned, and breakthrough progress has been made in agricultural mechanization—the numbers of all kinds of tractors, heavy trucks for agricultural use, and motor-driven machines for draining and irrigation purposes have increased several tens of folds or several hundred folds over the numbers at the early days of the founding of the republic. Use of electric power and chemical fertilizers in agricultural production has increased noticeably. Currently, electric power is available for production use and daily life in 95 percent of the country's townships and towns, 82 percent of villages, and 76 percent of peasant households. The average per-mu chemical fertilizer application has reached 14 kg, which is higher than the world's average.

Article Views Peasants' Worries About Production Costs

HK1909070494 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0705 GMT 18 Aug 94

["Special article" by Ma Yuan (7456 0337): "Increase in Grain Prices in Mainland Does Not Cover Increase in Production Costs, Peasants Are Still Worried About This Situation"]

[Text] Beijing, 18 Aug (ZHONGGUO TONGXUN SHE)—This year, peasants in the mainland gained substantial benefits from the state's decision to raise grain purchase prices and a series of relevant policies. At the same time, however, prices of agricultural production materials continued to increase, and peasants in some areas are unable to bear the heavy burdens. The peasants are still laden with anxieties and concerns. People who are concerned about this have called on the departments concerned to pay close attention to the situation.

According to the investigations and calculations of the department concerned, in the first half of this year, peasants in Hebei Province gained a total additional income of 1.35 billion yuan from higher grain purchase prices. However, a noticeable fact was that the benefits brought by higher grain prices were mostly offset by increased prices for agricultural production materials. For example, the price of a 40-kg sack of urea in Xinji City in June increased to 62 yuan against 38 yuan in the same period last year, a price increase of 63.16 percent; the price of 50-kg sack of ammonium carbonate also increased from 17 yuan to 22 yuan, or 29.41 percent. A considerable number of peasants say that they are unable to endure the pressures of a substantial increase in the price of agricultural production materials. To a certain degree, this has affected peasants' enthusiasm for production.

Peasants in the Hetau area of Ningxia Hui Autonomous Region are also plagued by increases in the price of agricultural production materials after increases in grain prices last year. As compared with things in the same

period last year, the price of urea has increased by 45 percent, the price of ammonium increased from 75 yuan to 120 yuan per sack, and the price of electricity for farming purposes also increased by over 100 percent. In Changxin Township in Helan County, the cost of water increased by 200 percent over the same period last year. Increased water costs alone raised inputs for each mu of farmland by 20 yuan. According to calculations by the department concerned, peasants farming costs increased by 26 percent over last year due to higher prices of production materials. Some peasants complained: "On the one hand, the state brought benefits to the peasants by raising grain prices; on the other hand, we are forced to pay more for production materials." They are worried that the additional income from adjusted grain prices will be completely offset by increases in production material prices.

Some grass-roots rural cadres are also laden with anxieties and concerns over this situation. If peasants do not have enough money in their wallets, urban residents will not be able to fill their food baskets with what they need. They are worried that the increasing cost of the production materials will eventually dampen the peasants' production enthusiasm. Therefore, people of insight have called on the departments concerned to pay serious attention to the situation and to adopt effective measures to solve the problem.

Chen Junsheng Addresses National Irrigation Work Meeting

OW1909145294 Beijing XINHUA in English 1411
GMT 19 Sep 94

[Text] Beijing, September 19 (XINHUA)—Chinese State Councillor Chen Junsheng said here today that China should build more irrigation works in the coming years.

Chen made the remark at the opening ceremony of a national work meeting on irrigation.

Noting that irrigation is the lifeblood of agriculture and even of the national economy and social development as a whole, Chen said that without the development of irrigation it would be difficult for China to achieve additional 50 billion kg of grain by the end of this century.

Chen said that floods and droughts still constitute threats to the economy and people's livelihoods, although China has been building numerous irrigation works.

Floods and droughts which occurred this year caused enormous economic losses, which might even exceed those caused by the floods in 1991, Chen said.

These disasters show that the irrigation works are not adequate and efficient enough to safeguard against floods and droughts.

Chen pointed out that the reservoirs are not adequate; soil erosion needs to be halted; some levees are too low and should be strengthened; silt in lakes and rivers needs to be dredged; and some irrigation works are damaged or out of use.

He also said that more funds should be allocated to build irrigation works.

He urged the flood-hit areas to renovate the damaged irrigation works this winter and next spring. The other areas should also use the two seasons to build irrigation works.

He asked all local government leaders to pay more attention to the construction of irrigation works.

He revealed that the central government will pour more funds into this work.

He furthermore encouraged all individuals, institutions and local governments to invest in irrigation works.

East Region

Anhui Holds News Briefing on Economic Situation

OW1909103894 Hefei ANHUI RIBAO in Chinese 8 Sep 94 p 1

[Report by Wang Gantang (3769 3227 1016): "Provincial Party Committee Propaganda Department Holds Briefing on Results of Anhui Enterprises' Efforts To Stop Deficits and Increase Profits"]

[Text] On the afternoon of 6 September, the provincial party committee's Propaganda Department held a news briefing, during which Vice Chairman Wu Bingzhi of the provincial economic commission was invited to brief journalists on Anhui's current economic situation and plan to stop deficits and increase profits in the remaining four months of this year.

Since the beginning of this year, the provincial economy has developed rapidly. As of the end of July, the aggregated industrial output value amounted to 66.54 billion yuan, increasing 25 percent over the same period last year; and the margin of increase was third highest in the country, or 6.3 percentage points more than the national average. Of this, the value of output turned out by large and medium state enterprises was 27.99 billion yuan, up 13 percent from the same period last year and 1.1 percentage points more than the average margin of increase by large and medium state enterprises nationwide. The marketing rate of manufactured goods reached 95.8 percent, which was 3.9 and 2.8 percentage points higher than the provincial and national average respectively. The revenue from sales amounted to 31.36 billion yuan and the total volume of profits and tax payments was 5.26 billion yuan, representing a 3.7 percent and 13.9 percent increase respectively.

Though industrial production developed rapidly and profits and tax payments increased by a big margin, some enterprises continued to incur deficits, which have been caused by the following five factors: 1) changes in the factors for comparison and the existence of three major incomparable factors (the new fiscal and taxation system, the readjustment of bank interest rates, and increase of prices of electricity and leading farm products); 2) poor internal management and operation of enterprises; 3) heavy debts and community burdens of enterprises, resulting in an excessive low portion of operating funds at their disposal; 4) slow progress in readjusting product mix and outdated equipment and technology, thus making products unsalable; and 5) irrational investments in some areas. In view of these problems, the provincial party committee and the provincial government took prompt action. Through relentless efforts, enterprise deficits have shown a decreasing trend since the second quarter of this year. In the first six months, 30 large and medium enterprises stopped deficits and began to make profits.

Dou Yongji, deputy director of the provincial party committee's Propaganda Department, presided over the news briefing. He urged press units to step up publicity to enhance the confidence of workers at large in Anhui to tide over difficulties and to support and take part in the work to stop deficits so as to facilitate sustained, rapid, and healthy development of the provincial economic development.

Fujian Secretary Views Propaganda, Ideological Work

HK1909052094 Fuzhou Fujian People's Radio Network in Mandarin 2300 GMT 15 Sep 94

[Excerpt] A two-day provincial propaganda and ideological work forum attended by prefectural and city party committee propaganda departments directors concluded in Fuzhou yesterday afternoon. Provincial Party Committee Secretary Jia Qinglin and He Shaochuan, provincial party committee deputy secretary, attended and delivered speeches at the closing session.

In his speech, Secretary Jia Qinglin pointed out: We should firmly focus on the following three aspects of work:

1. To step up propaganda and patriotism education. To this end, leaders at all levels across the province should attach great importance to patriotism education, should place patriotism education high on the agenda of party committees at all levels—especially on the agenda of propaganda departments at all levels—set off a new upsurge of patriotism education across the province, and vigorously push ahead with socialist spiritual civilization building.
2. To step up propaganda and education on such key aspects as adhering to economic construction as the center, checking runaway inflation, increasing agricultural production, protecting arable land, and rejuvenating state-owned large and medium enterprises. To this end, leaders at all levels in the province should conscientiously study and implement the spirit of a series of important speeches made by General Secretary Jiang Zemin during his inspection of Fujian, step up propaganda aimed at urging people throughout the province to create new local economic superiorities and push local economic development onto a new stage, strengthen propaganda and ideological work with a view to mobilizing enthusiasm among the broad masses of people, and successfully press ahead with all types of economic work.
3. To successfully carry out propaganda on the 45th anniversary of the founding of the PRC and on the country's socialist construction achievements over the last 45 years. To this end, propaganda departments at all levels in the province should make unreserved efforts to publicize the province's reform and opening up achievements as well as the provinces's incredible economic creations, thereby enhancing the people's morale. [passage omitted]

Fujian Readjusts City-Level Land-Use Approval Power

HK1909115594 Beijing ZHONGGUO XINWEN SHE in English 0908 GMT 19 Sep 94

[Text] Fuzhou, September 19 (CNS)—The Fujian Provincial Government decided to re-adjust land-use approving power of prefectures and cities directly under its jurisdiction in a bid to avoid serious waste of cultivated land and losses of the state-owned land property in the province.

The Standing Committee of the Fujian Provincial People's Congress has recently passed the provincial government's motion on amendment of the fourteenth article of the Methods of Implementation of Administration over Land of Fujian Provincial Government. According to the revised article, the land-use approving power of prefectures and cities under the province is changed from the original 200 mu arable land to 30 mu and 1,000 mu other kinds of land to 200 mu while such power given to its coastal cities including Fuzhou, Xiamen, Zhangzhou, Quanzhou and Putian is also lowered to 300 arable land and 1,500 mu other kinds of land. It is reported that the land-use approving power enjoyed at city-level in the province is the greatest in the country.

In the last few years, local governments within the province had unauthorizedly approved land for non-agricultural usage and set up various kinds of economic development zones and industrial zones at township-level, as a result land for non-agricultural usage in the province has increased sharply, the overall supply of land for such purposes had been out of control, making a huge amount of land lie idle. According to statistics from relevant provincial departments, in 1992 and 1993 alone, the arable land in the province dropped by nearly 230,000 mu because of construction, re-adjustment of agricultural structure and ruin of natural disasters, resulting in an increasingly serious problem of grain-shortage in the province and the sharpening of contradiction between feeding of population and construction there.

Fujian Mobilizes Rectification of Rural Public Order

HK2009094594 Fuzhou Fujian People's Radio Network in Mandarin 2300 GMT 5 Sep 94

[Text] A mobilization meeting was held in Fuzhou yesterday morning [5 September] for the work teams dispatched by provincial departments to rectify public order in rural areas. Huang Songlu—member of the standing committee of the provincial party committee, secretary of the provincial commission on politics and law, director of the provincial committee for comprehensive management of public security, and director of the provincial public security department—gave a mobilizing speech at the meeting.

He said: In accordance with the arrangements made by the Central Committee for Comprehensive Management

of Public Security, the standing committee of the provincial party committee decided to adopt effective measures both this year and next to carry out a round of public order rectification in rural areas throughout the province. The struggle will focus on changing the disorderly conditions and severely cracking down on serious criminal activities in order for a marked turn for the better to be brought about in the law-and-order situation in rural areas within a short period of time. For this purpose, the provincial party committee decided to dispatch 4,000 cadres from provincial, prefectural, and county leading organs to organize work teams to rectify public order in rural areas. The work teams will be sent to 766 natural villages and residential committees.

Comrade Huang Songlu pointed out: The work teams will carry out four main tasks. First, giving extensive publicity to the importance of comprehensively rectifying and managing public order in rural areas, and mobilizing the masses to cooperate with the judicial and law enforcement organs to crack down on various types of criminal activities, thus changing the disorderly situation of the villages before the work teams arrive. Second, consolidating grass-roots organizations, with the party branches as the core, and helping village party branches, village committees, village youth league branches, women's federations, militia organizations, public security committees, and civil mediation organizations at the grass-roots level to perfect and rectify themselves so that there will be people to attend to public order and public security in the future. Third, carrying out the activities of administering villages according to the law, and helping villages establish their own law-and-order maintenance mechanisms. Fourth, giving positive assistance to villages in seeking economic development, guiding the masses to get rich through honest and diligent work and through abiding by the law—and particularly helping the surplus labor force seek new jobs—and helping villagers arrange their work and livelihood properly.

Reform Improves Jiangsu Foreign Trade Expansion

OW1909063494 Nanjing XINHUA RIBAO in Chinese 7 Sep 94 p 1

[By reporters Chen Xuan (7115 8830) and Hao Hong (6787 3163)]

[Excerpts] Reform in the foreign economic and trade structure has heralded a new development period for Jiangsu. Jiangsu exported \$5.976 billion worth of goods last year, propelling it one notch up in the nation's port cargo handling ranking from the fifth to fourth place for the first time in many years. Jiangsu's accumulated import/export amount in the first half of this year topped \$5.03 billion, up 52.7 percent from the same period last year. Of the total import and export amount, exports accounted for \$3.38 billion, an increase of 47 percent over the figure for the corresponding period last year.

With a net increase of \$1.08 billion, exports posted the highest growth in recent years.

Riding on the waves of the reform of economic and trade structure, Jiangsu has in recent years further expanded the breadth and depth of its foreign trade and opened itself up to other provinces and foreign countries in an omnidirectional, multilevel, and multichannel way. A sub-contracting operation responsibility system for foreign trade, with an implementation period for three years, was launched in 1988. Under that scheme, 22 branches of foreign trade companies in Suzhou, Wuxi, Nanjing, and Nantong were granted the right to engage in import and export and nine branches of foreign trade companies were allowed to expand their foreign business scope. [passage omitted]

In the end of 1993, the state embarked on the in-depth reform of the foreign trade structure, introduced a unified foreign exchange settlement system for foreign trade enterprises, exempted foreign trade enterprises from delivering nonreimbursable and reimbursable foreign exchange to the state, and further deregulated the operation in export and import commodities. These strings of policies have helped create a fair competition environment for foreign trade enterprises. They seized the favorable opportunity and aggressively changed their operation mechanisms. Some provincial-level foreign trade companies began reorganization, turned themselves into share-holding companies, and explored ways to establish a modern enterprise system. The provincial light industrial goods import and export limited liability company was the first provincial-level specialized trading company that carried out the share-holding system reform. [passage omitted]

"Sino-foreign joint ventures, cooperative enterprises, and wholly foreign-owned enterprises" in Jiangsu continued to maintain a strong growth momentum. By the end of the first half of this year, the province had approved 22,596 foreign-funded enterprises. Jiangsu ranks second after Guangdong in terms of the number of approved foreign-owned enterprises. Accumulated contracted foreign capital was \$22.77 billion and the actual invested foreign fund was \$6.38 billion. "Sino-foreign joint ventures, cooperative enterprises, and wholly foreign-owned enterprises" exported \$2.27 billion worth of goods in 1993, which accounted for 38 percent of the province's total exports.

Since the beginning of this year, Jiangsu has maintained an exploding momentum in foreign economic cooperation. Taking advantage of the rights to directly sign contracts with foreign companies, 12 economic and technology cooperation companies in Jiangsu aggressively expanded their foreign operation. Jiangsu has tried to constantly raised the level of it's labor export by shifting from a labor-intensive labor export to the export of management and technology. The labor export market is also expanding from the major Mideast and African markets to countries in Europe, Oceania, and Southeast

Asia. In the first seven months of this year, Jiangsu signed 406 labor export contracts with a total contracted amount of \$364.07 million, which represented an over fulfillment of the annual plan by 10 percent.

Jiangsu Cracks Down on Shoddy Import, Export Goods

OW2009032194 Beijing XINHUA in English 0246 GMT 20 Sep 94

[Text] Nanjing, September 20 (XINHUA)—East China's Jiangsu Province has strengthened the examination of import and export goods as an effort to crack down on shoddy commodities.

China publicized a law on the inspection of import and export commodities five years ago. Over the past five years more than 588,000 batches of export commodities have been inspected in Jiangsu, 9,017 batches of which were found disqualified. Now the disqualification rate has dropped from 3 to 1.3 percent.

At the same time, 32,000 batches of import commodities have been inspected, 4,520 batches of which were found not up to standards. To compensate for the losses, local authorities have claimed more than 45 million U.S. dollars from the suppliers of the shoddy goods.

The provincial administration for the inspection of import and export commodities has established a province-wide information network for prices of import equipment. The majority of the municipal bureaus for the inspection of import and export commodities have set up appraisal offices of foreign investment.

From 1992 to the end of June this year, they have completed evaluation of 652 foreign-funded enterprises and claimed more than 79 million U.S. dollars for Chinese investors.

The provincial administration for the inspection of import and export commodities has also examined import commodities in circulation and claimed repayment of more than 16 million U.S. dollars from the foreign dealers, who either repaid in the form of change of qualified goods or in cash.

The inspection rate of export commodities in the province has remained at some 70 percent. Last year, more than 30,000 batches of export commodities went through inspection and Chinese compensation caused by inappropriate packing decreased by half in comparison with the previous year.

Shandong Checks Manufacturing of Fake, Inferior Products

SK1909070994 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 17 Sep 94

[Excerpt] On the afternoon of 17 September, fake and inferior commodities worth 7.4 million yuan were burnt in Jinan's (Lashan). These commodities included 101

tonnes of [words indistinct], 20,000 cartons of fake cigarettes, 30,000 bottles of fake wine, and 4,600 kg of fake foodstuffs.

As learned by this reporter, since the beginning of this year the provincial and the Jinan city industrial and commercial administrations have ferreted out 5,000 cases concerning fake and inferior products. Of these, 300 involved 10,000 yuan each. The fake and inferior commodities ferreted out included chemical fertilizers, pesticides, seeds, gas oil, rolled steel, household electronics appliances, foodstuffs, and beverage. The value of these fake and inferior commodities totalled 100 million yuan. During the special anti-fake campaign launched in August this year, the province put a total of 1,100 cases of fake products on file for investigation, and 18 cases were transferred to judicial organs for handling, with a total value of 50 million yuan or more. At the same time, the province destroyed 175 places where fake and inferior products were manufactured, thus checking the rampant trend of manufacturing fake products to some extent. [passage omitted]

Shanghai Secretary Stresses Technology at Forum

OW1909012494 Shanghai People's Radio Network in Mandarin 2300 GMT 10 Sep 94

[From the "990 Morning News" program]

[Text] Shanghai's Invention Association yesterday commended and awarded 65 outstanding entrepreneurs who contributed to scientific and technological achievements. Station reporter Zeng Wengong filed this report:

[Begin recording] [Zeng] Relying on high technology, these directors and managers changed the face of their money-losing plants and created a tremendous amount of profits for the state. In his speech, Wu Bangguo, secretary of the Shanghai Municipal CPC Committee, spoke highly of the creativity they displayed.

[Wu] Thank you for the important contributions you have made to applying scientific and technological achievements in industrial production, developing the economy, and revitalizing Shanghai. What is the way out for Shanghai? It is in restructuring its industry and product mix. Restructuring hinges on science and technology as well as people. Had we not relied on science and technology and had we remained in the stage of traditional industries, old equipment, and processing technologies, Shanghai's sustained, rapid, and healthy economic growth in recent years would not have been possible. To maintain Shanghai's strong momentum in economic development and achieve the magnificent goal of developing Pudong New Area and making Shanghai a world economic, financial, and trade center, we must keep abreast of the world's science and technologies and accelerate the development of new industries. We must learn to use advanced science and technology and constantly seek to promote economic growth through scientific and technological progress. For an enterprise,

whether or not it relies on science and technology is one of the factors that will determine its success. Fierce competition in the marketplace is actually a competition of science and technology. We cannot ignore that in Shanghai's economic construction, disconnection between science and technology and production exists in varying degrees. Enterprises have not developed a new mechanism in the use of scientific and technological achievements.

[Zeng] Speaking of improving the standards of entrepreneurs, Wu Bangguo urged those in charge of running enterprises to have the courage and vision to acquire new technologies and decisively invest in them.

[Wu] First of all, I think entrepreneurs themselves must have a strong pioneering and enterprising spirit. Second, they must have a mentality to develop their plants by relying on science and technology. They must value science and technology and respect knowledge and talent. Third, they must be good in their job, have a clear picture of their industries' technological development and trends, and have a grasp of the domestic and international markets. An invention must go through numerous technological obstacles—from the laboratory to application in industrial production—and requires painstaking, indomitable efforts. We cannot succeed without a fighting spirit. We succeed not only because we are good at using scientific and technological achievement but also because we have the spirit of plain living and hard struggle.

Shanghai Commentary on Patriotism Education

OW1909061194 Shanghai WEN HUI BAO in Chinese 7 Sep 94 p 3

[Commentary by unidentified WEN HUI BAO commentator: "A Major Event"]

[Text] Patriotism is one of the Chinese nation's excellent traditions.

Patriotism is a great banner that inspires the people, consolidates people's fighting spirit, and promotes China's socialist modernization construction.

Patriotism is a spiritual support for people of all nationalities; an important part of the socialist spiritual building; and a basic demand for training a new generation of people with ideals, morality, culture, and discipline.

If a nation wants development, rejuvenation, and social progress, it must carry out education on patriotism in an in-depth, lasting, and extensive manner. Greatly strengthening the education on patriotism and carrying forward the spirit of patriotism are the powerful forces to enhance the nation's cohesiveness; to nurture people's self-respect and national pride; to forge unity among the people of all nationalities to build the nation through self-reliance and hard struggle; and to build a magnificent socialist cause with Chinese characteristics under

the new situation of reform, development, and stability. In contemporary China, patriotism and socialism are, in essence, consistent. Building socialism with Chinese characteristics is the theme of patriotism in the new period. Adopting concrete and effective measures to do a good job in the basic project of education in patriotism and making the patriotic thinking the main trend in society will have a profound significance for guiding the people, particularly youngsters, to hold correct views on ideals, faith, life, and value concepts.

Patriotism education is a gigantic social project. On the surface, patriotism education looks difficult, but in reality it is not that difficult at all. If patriotism education is conducted in a formalistic manner and in a preaching way, success cannot be guaranteed. But if it is conducted in a lively and patient manner, we will get twice the results with half the effort. From a long term perspective, a lasting education mechanism needs to be established first for an effective patriotism education.

Approved by the CPC Central Committee, the CPC Central Committee Propaganda Department formulated the "Outlines on the Implementation of the Education on Patriotism." This is an important document aimed at setting up an educational mechanism for patriotism education. The "Outlines" were formulated following over one year of drafting and repeated redrafting and revisions. The "Outlines" explain in details and in simple terms the principle, contents, main points, bases for conducting the education, scope, protocol, propaganda, leadership of patriotism education. They not only display the distinctive characteristics of the times but are also easy for implementation. The promulgation of the "Outlines" expands the channels for patriotism education, which represents a comprehensive summing up and a raising to a higher level of China's years of experience in developing a mass patriotism education, and which will serve a very important guiding role for carrying out the patriotism education for the present as well as for a certain historical period in the future. We must conscientiously implement the "Outlines" so as to help establish a lasting educational mechanism for conducting education on patriotism.

In addition to circulating the "Outlines," the CPC Central Committee also issued a special circular on the occasion of the promulgation. This represents a major event for China's ideological and propaganda fronts. All levels of party and government leaders must attach high importance to this and do a good implementation job. They are urged to closely read the document and to grasp the essence of the guidelines set forth in it. They are also urged to conscientiously sum up past experience in patriotism education by taking into consideration the reality in their areas and departments and to raise patriotism education to a new level under the "Outlines" guidance.

The Shanghai Municipal CPC Committee and government have always attached importance to patriotism

education. In recent years, they have particularly stressed patriotism education in building socialist spiritual civilization, done a lot of work, accumulated rich experience, and scored remarkable results. Various levels of leaders, in addition to stressing the central task of economic construction, have carried out the patriotism education down to daily life, thereby greatly mobilizing and encouraging Shanghai citizens to work hard for the development and opening up of the Pudong and rejuvenation of Shanghai. As this year marks the last year of Shanghai's efforts to bring about "a major change in three years," our tasks are heavy and arduous. It is necessary to work out concrete and detailed implementation measures for patriotism education in line with the demands set forth in the "Outlines," to adopt implementation methods that are acceptable to the masses, to further create in the municipality an intense atmosphere for patriotism, to lead the masses to plunge themselves into the economic construction, to promote reform and opening up, and to make a greater contribution to Shanghai's prosperity.

The promulgation of the "Outlines" coincides with the soon-to-arrive National Day. It is a great opportunity for us to launch mass patriotism education activities on the occasion of the 45th anniversary of the founding of the People's Republic. A successful implementation will serve as a good beginning for patriotism education in the future.

Zhejiang Introduces Foreign Technology To Help Agriculture

OW2009032294 Beijing XINHUA in English 0245
GMT 20 Sep 94

[Text] Hangzhou, September 20 (XINHUA)—East China's Zhejiang Province has made profits totalling 10 billion yuan by introducing new strains of seeds and farming techniques from overseas over the past eight years.

The province has imported 500 varieties of grain, fruits and vegetables, flowers, edible fungi, livestock and poultry, and introduced 60 items of practical technologies to raise rice seedlings, breeding good strains of cows and the treatment of beers and vegetables after production.

In the 1950s, Zhejiang's tea, silk fabrics, pigs, oranges, tangerines and grass products in the province were popular in both domestic and overseas markets.

However, the lack of the upgrading of agro-technologies has caused some varieties to regenerate.

Since the mid-1980s, the province has sent 215 graduate students abroad to study necessary technologies.

At the same time, the province invited about 100 experts from ten countries to teach agro-education, breeding, raising cows, processing dairy products and growing asparagus.

In 1993, farmers in Cixi raised funds to invite Japanese experts to teach them how to grow radish. As a result, they reaped a good harvest that year.

A number of joint ventures has been established in this field.

Xiaoshan quick-freezing factory has set up several joint ventures with Japan and Hong Kong since 1992, and had its vegetable processing technology upgraded. Now, the factory ranks first in exporting vegetables.

The province also has bought many technologies and equipment from abroad.

The price of grass products used to be low, but agricultural experts in the province drew on the experience of Japanese grass products and cultivated new varieties through crossbreeding.

Last year, the value of grass products export rose to 283 million yuan.

With those technologies, the traditional agriculture in Zhejiang have gained renewed vigor.

At present, Zhejiang is exporting two billion yuan worth of farm and sideline products a year.

Zhejiang Radio, TV Development Reviewed

OW1999125194 Hangzhou Zhejiang People's Radio Network in Mandarin 1000 GMT 17 Sep 94

[By reporter (Lu Yin): "Special Column Celebrating the 45th Anniversary of the PRC: Zhejiang Has Established Modern Radio and TV Network to Disseminate Information and Enrich the Masses' Cultural Life"; from the "Provincial News Hookup" program]

[Text] Since reform and opening up, party committees and governments at all levels in Zhejiang, attaching great importance to the masses' pressing demand for information to enrich their cultural life, have made radio and television broadcasting a priority project in the building of spiritual civilization, thus promoting the rapid development of radio and television undertakings. So far, Zhejiang has established a multi-level, multi-channel, and multi-facet modern socialist radio and television network, which combines radio with television, wire with wireless, and urban with rural stations. There are 63 radio stations at different levels, 23 radio relay stations, and 73 television stations at different levels, including nine cable television stations. In addition, there are special wire radio transmissions for 120,000 square km rural areas and 6.89 million loudspeakers, reaching 99.9 percent of the population in Zhejiang.

Along with the progress in propaganda system reform, provincial-level radio and television stations have been gradually developed into serialized and professional programs. Of the provincial-level radio stations, there are news, economic, literary and art, financial, and foreign language stations, while the provincial-level television

stations include the Zhejiang Television Station, (Qianjiang) Television Station, and the Provincial Cable Television Station. A number of cities and prefectures have also carried out reform by readjusting programs, bringing news to audience in a more timely manner, and extending broadcasting hours. A number of popular programs on economic information, laws, and services have also been introduced to meet audience demand, while literary and art as well as other kinds of recreational programs have been increased.

As of the end of 1993, the average daily radio broadcasting time reached 506 hours and 51 minutes, and the average weekly television broadcasting time was 3,023 hours, up 450 and 800 percent over the broadcasting time in 1990 respectively. The quality of programs produced by the stations in Zhejiang has been improved markedly, turning out a large number of outstanding radio and television programs for the masses. In recent years, Zhejiang produced a total of some 250 television drama series. Of these, a dozen—including "The Divine Fire of China," "Chinese Merchants," and [serial titles indistinct]—received major state prizes. The provincial radio station's [program title indistinct] and the provincial television station's [program title indistinct] received first-class national radio and television awards.

On 1 January this year, two radio and one television program were successfully transmitted via satellite to hundreds of thousands of listeners and viewers in Zhejiang for the first time, bringing provincial radio and television stations' coverage to additional 30 percent and 15 percent of the provincial population with good audio and visual reception quality. These programs can also be received by listeners and viewers in more than 20 neighboring countries and regions, thus symbolizing Zhejiang's joining with the world's advanced ranks in radio and television transmission.

Central-South Region

Guangdong Governor on Economic Development

HK1909124894 Hong Kong WEN WEI PO in Chinese 14 Sep 94 p 2

["National Day Special Article" column by Guangdong Governor Zhu Senlin (2612 2773 2651): "A Glorious Course, A Bright Future"—subheads by WEN WEI PO editor]

[Text] The autumn wind brings crisp air, which is heavy with the aroma of chrysanthemum. In the golden month of October we shall be ushering in the glorious festival of the 45th anniversary of the founding of the PRC. In the long process of human history, 45 years is just an instant and yet earth-shaking changes have taken place in this ancient land of China. Especially in Guangdong, which has advanced ahead of other provinces in reform and opening up, there is one vast scene of prosperity.

Special Policies Radiate Vigor and Vitality

Over the past 45 years, Guangdong has traversed an extraordinary glorious course. In the years immediately after the liberation, a scene of devastation met the eye everywhere and all business languished. With undaunted spirit we overcame all difficulties and smoothly completed the task of rehabilitating the national economy, completed the switchover from new democracy to socialism, and scored major achievements in socialist construction. However, the road of advance has not been smooth. Due to various causes, there were also errors and setbacks in the course of our advance. After the Third Plenary Session of the 11th CPC Central Committee, we correctly summed up the historical experience gained in the winding course of socialist construction, unswervingly persisted in taking economic construction as the center, advanced reform, and opened wider to the outside world, thus opening up a new situation in socialist modernization. Taking advantage of the "special policies and flexible measures" granted by the central authorities, Guangdong ran special economic zones on a trial basis and gave full play to its advantages of bordering on Hong Kong and Macao and having large numbers of overseas Chinese. Always marching in the forefront of reform and opening, it has been bold in explorations and practice. The highly effective policy of reform and opening up has enabled Guangdong to radiate strong vigor and vitality and score impressive achievements.

After 45 years of construction, a national economic system which is fairly complete in range and which has a fairly strong production capacity has taken shape in the province, and Guangdong's overall economic strength has increased substantially. Some trades and departments have grown from small to big, increasing by several, several dozen, or even several hundred times. Some trades and industries, such as the newly emerging automobile, electronics, and petrochemical industries, the refined chemical industry, and the household electrical appliances, textiles and garments, and building materials industries, have grown rapidly from small to big. Between 1950 and 1993, Guangdong's GDP rose from 2.027 billion to 322.53 billion yuan, an increase of 34.4 times. [sentence as published] There has been a significant improvement in agricultural production conditions. The rural economy has shifted from the previous unitary structure to comprehensive development of the primary, secondary, and tertiary industries. The township and town enterprises have risen suddenly and, with their total income at 220 billion yuan in 1993, they have become a strong pillar in the rural economy, thus opening a way for the gradual realization of agricultural modernization. In the early years of the founding of New China, the original fixed-asset value of Guangdong's industrial enterprises with independent accounting was only 300 million yuan, but it rose to 209.9 billion yuan in 1993. The total value of industrial production was 508.845 billion yuan. There has been a marked rise in the level of industrial technology and the scientific

research capability, with some products and industries joining the advanced ranks at home and abroad.

Since the start of reform and opening up, Guangdong has entered the fast track in economic construction. In the past 15 years, its GDP has grown at an annual rate of 13.9 percent. Take the construction of infrastructure as an example. From 1979 to 1993, the society-wide investment in fixed assets amounted to 501.75 billion yuan, an average growth of 28.2 percent annually. It has built a large number of power plants. The first-phase project of the nationally known Daya Bay Nuclear Power Plant has also started generating electricity. It has built 540 km of double-track railroad from Hengyang to Guangzhou, 147 km of double-track railroad from Guangzhou to Shenzhen, and 322 km of railroad from Sanshui to Maoming, and is building the Guangzhou-Meizhou-Shantou railroad and the nation's first quasi-super railroad from Guangzhou to Shenzhen. It has built or rebuilt 9,422 km of graded highways, and built over 1,000 bridges, making it possible to drive along the main highways without using a ferry. It has added over new 700 berths in coastal ports, including 44 10,000-tonne-class berths. In telecommunications, a domestic and international long-distance transmission network, mainly microwave, optical cable, and coaxial cable, has taken shape across the province; and communication transmission is basically carried out by digital program-controlled exchanges. There are over 6 million program-controlled telephones and 350,000 mobile telephones. Large-scale infrastructural construction has effectively increased the capacity of the national economy for future development.

Guangdong-Hong Kong-Macao Economic and Technological Exchanges Have Moved to a Higher Level

Over the past 10 years and more, we have seized on the opportunity of opening up to seek development. As Guangdong borders on Hong Kong and Macao and has large numbers of overseas Chinese, we have taken advantage of these favorable conditions to actively join in international economic and technological cooperation and exchanges and develop an export-oriented economy. We have attained enormous results. In 1993 the province's import and export volume was \$46.9 billion, including \$27.027 billion in export volume. Calculated in terms of comparable items, this represents an increase of 13.4 times over 1978. Guangdong has established economic and trade relations with over 150 countries and regions. By 1993, it had actually used \$29.448 billion in foreign capital and set up 44,000 foreign-funded enterprises. Its exports are expected to top \$40 billion and the actual use of foreign capital to top \$10 billion this year. The economic and technological exchanges between Guangdong, Hong Kong, and Macao have also moved to a higher level and into a broader sphere.

Following the economic growth, the people's actual living standard has improved continuously. As their

material benefits are improving day by day, they live and work in peace and contentment. There has also been great progress in the building of socialist spiritual civilization and in scientific, technological, educational, and cultural undertakings. New progress has been made in urban and rural construction and environmental protection.

Over the past 45 years, thanks to the unremitting efforts of the people of the whole province, we have attained glorious achievements. This will spur us to attain new development targets with full confidence: Striving to catch up with the moderately developed countries and regions in Asia and basically realize modernization in 20 years.

We shall keep on conducting reform, establish a modern enterprise system, make great efforts to cultivate a socialist market system, improve the government macroeconomic control over the economy, and establish a vigorous socialist market economic structure.

We shall continue to open wider to the outside world and, in line with the principle of equality and mutual benefit, open wider the field of using foreign capital, and introduce advanced technology; vigorously open the international market, promote diversification of foreign trade, and develop the export-oriented economy; and expand overseas investments and transnational business operations by Guangdong enterprises. We should especially strengthen relations between Guangdong, Hong Kong, and Macao and make due contributions to the stable transition of the Hong Kong and Macao regions and the maintenance of prosperity.

Rely on Science and Technology To Readjust the Industrial Structure and Improve Industrial Quality

We shall fully rely on progress in science and technology to energetically readjust the industrial structure and comprehensively improve industrial quality. First, we should continue stepping up the construction of energy, transport, telecommunications, and other infrastructure and basic industries because they are the support of our economic growth. Second, we should set up a number of large enterprise groups transcending regions, trades, and even countries because this is the objective requirement of our economic growth. Third, we should develop and expand tertiary industry because it is an indicator for judging the degree of modern economic development. Fourth, we should attach great importance to high- and new-technology industries, develop education, and speed up the training of talented people because this is where the hope of Guangdong's modern economy lies. Fifth, we should vigorously exploit the resources of the mountain regions to boost their economic growth because this is a strategic measure for tapping economic potentials and promoting common prosperity. Sixth, we should make full use of the vast sea area and accelerate the development of marine industry because this is an important aspect of Guangdong's economic development.

We know very well that our tasks are very arduous and that there will still be difficulties and problems in the way ahead. However, the Guangdong people have total confidence in building a better future. We shall advance toward new milestones and the bright future with more vigorous strides.

Guangdong Seeks Investment From Multinational Companies

OW1809144694 Beijing XINHUA in English 1426
GMT 18 Sep 94

[Text] Guangzhou, September 18 (XINHUA)—Guangdong Province in south China has decided to give priority to big consortiums and multi-national companies from Hong Kong and overseas in attracting foreign funds.

A provincial government official said that the move is characterized by giving a bigger share of the local market and more shareholding power to such consortiums and companies.

Earlier this year the the Zhuhai-based Dongda Group and Huafeng Food Processing Industry Group transferred 58 percent and 51 percent of their shareholding power to two big companies in Southeast Asia, respectively.

As a result, the two companies brought in 27.86 million and 29.9 million U.S. dollars in foreign funds, respectively.

Also by transferring part of its shareholding power, the subway company in Guangzhou, capital of Guangdong Province, has received 477 million dollars from a big company in Hong Kong, the official said.

"Except for basic industries and monopoly industries whose shareholding power will remain under the state control, foreign firms are welcome to independently operate or hold the majority shares of local enterprises," he said.

Transferring shareholding power has helped state-run businesses switch to a market economy, he noted.

For example, the Guangzhou-based Renmin Paper Mill and the Renmin Leather Tannery have transferred 25 percent and 55 percent of their shareholding power to a Hong Kong firm, respectively, bringing a total of 280 million yuan.

With the money raised, the mill has built a workshop to turn out 100,000 tons of paper annually and the tannery has built a workshop capable of tanning half a million pieces of cattle hide a year.

They have also paid off 310 million yuan in debt, the official said.

Giving a bigger share of the local market to overseas firms has enabled the high-tech industry to grow rapidly in six national-level high-tech development zones in Guangdong, he said.

Shenzhen, a special economic zone, now has 55 high-tech companies, he said.

Guangdong currently has 30 such companies each manufacturing at least 100 million yuan worth of products a year, he added.

Guangdong plans to set up 10 high-tech enterprise groups with an annual output exceeding 500 million yuan.

The province also grants profit-making projects to firms from Hong Kong and overseas to encourage them to undertake infrastructure construction projects.

For instance, while undertaking the construction of an expressway and power plant in Guangzhou, a Hong Kong group was given a project to build apartment buildings at a total cost of five billion yuan and another project to rebuild an old urban area at a total cost of nearly 20 billion yuan.

Guangzhou Forms Center To Collect Foreign Investors' Taxes

HK1909133294 Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 14 Sep 94

[Text] The Guangzhou City Government held a news briefing at the China Hotel this afternoon to announce the implementation of two measures to improve the city's investment environment. One of these measures is the granting of relevant management functions to the Guangzhou City Foreign Investment Management Center and the strengthening of its service function, so that it can provide service in a connected sequence through one window. This includes the following: From now on, management departments having connection with foreign investments—such as industrial and commercial bureaus, planning bureaus, labor bureaus, public security bureaus, and taxation bureaus—must send personnel and set up an office in the foreign investment management center to provide service for foreign investors. The management center will collect administrative payments from joint-venture enterprises, then deliver the money to the various departments so as to reduce foreign investors' trouble in making payments to different departments and to prevent the arbitrary collection of payments.

The management center will set up an investment service office for foreign investors to apply for starting new projects, for industrial and commercial registration, for opening bank accounts, for recruiting employees, and for importing commodities, thus forming a sequential service system.

The other measure is the centralized collection of taxes from foreign investors for their real estate investments. Beginning on 1 September this year, the management center is responsible for collecting payments from foreign investors for their real estate investments, with the

exception of compensatory land rents, so as to eliminate foreign investors' trouble in paying charges and taxes to different departments.

Guangdong's Private Sector Becomes Major Tax Revenue Source

OW1909164694 Beijing XINHUA in English 1625 GMT 19 Sep 94

[Text] Guangzhou, September 19 (XINHUA)—Privately-owned businesses have become a major source of tax revenue of south China's Guangdong Province.

The province, one of the richest in China, boasts some 1.26 million household businesses and 57,200 private enterprises.

In 1993, these businesses paid 4.39 billion yuan (540 million U.S. dollars) as taxes, accounting for 12.6 percent of the provincial total.

In the first half of this year, the taxes they paid totalled 2.55 billion yuan (300 million U.S. dollars), up 32.5 percent over the same period of last year, ranking the first among all provinces, autonomous regions and municipalities in the country.

The private sector has been constantly expanding its production scale, diversifying its business scopes and improving its management in the past decade.

Among them are 22,500 private-owned limited companies, 45 conglomerates, and 1,100 science- and technology-intensive enterprises, with the registered capital ranging between one million to ten million yuan.

Many of these private enterprises are involved in such business as advertising, brokerage, securities and futures.

Paper Carries Biography of Hainan Governor Ruan Chongwu

HK2009050994 Hong Kong WEN WEI PO in Chinese 1 Sep 94 p E1

["Diplomat, Minister, and Provincial Secretary, Ruan Chongwu Has a Wide Range of Knowledge and Rich Experience"]

[Text] Ruan Chongwu was born in May 1933 to a revolutionary family. His ancestral home is in Huaian County, Hebei Province and both his parents are veteran CPC members who are devoted to the cause for the liberation of China. Because of their wholehearted devotion to the revolutionary cause and unstable life, they had no time to raise their children. When Ruan Chongwu was 10 years old, he was sent to Yanan, together with Ruan Ruolin, who is five years older than him and is currently the deputy director of the Central Television Broadcasting Station. Ruan Chongwu told this reporter: "I grew up at public expense." Recalling those tough days in the past, he said: "The members of

my family are separated from each other and we have had no opportunity to live together."

From 1951 to 1952, Ruan Chongwu studied in the Beijing Industrial College Department of Automobile Manufacturing. He joined the CPC in June 1952 and thus chose the revolutionary path as his parents had done. From 1952 to 1953, he studied at the Beijing Institute of Russian Language. In 1953, he was admitted to the second year of a course offered by the Moscow Automotive Mechanics College in the Soviet Union, where he studied for four years. From 1957 to 1962, he worked for Shenyang Casting Technology Research Institute, first as a technician and later as the research office deputy head. From 1962 to 1969, he held the following posts in turn: Deputy head of the Shanghai Materials Science Research Center Fifth Research Office under the Ministry of Machine-Building Industry, then head of the same research office, and then deputy director of the research center. He was disgraced from 1969 to 1971 during the "Great Cultural Revolution" and was then sent to do manual labor at a "7 May School for Cadres." From 1971 to 1977 he held the following posts in turn: Head of Shanghai Municipality Science and Technology Exchange Station, secretary of a party branch at the station, and deputy secretary of the general party branch of the station. From 1977 to 1978, he was appointed deputy head, deputy secretary general, and member of the party group of the interim leading group of the Shanghai Municipality Association of Scientists. From 1978 to 1983, he worked in the Chinese Embassy in West Germany as the science and technology counsellor. From 1983 to 1985, he was appointed secretary and deputy secretary of the Shanghai Municipality CPC Committee and executive vice mayor of the municipality and elected a member of the 12th CPC Central Committee and a deputy to the Sixth National People's Congress. From 1985 to 1987, he was appointed Minister of Public Security and secretary of the party group of the ministry and first political commissar of the armed police force headquarters. From 1987 to 1989, he held the posts of executive vice minister of the State Commission of Science and Technology and deputy secretary of the party group of the same state commission. In November 1987 he was elected a member of the 13th CPC Central Committee. From July 1989 to January 1993 he was the minister of labor and secretary of the party group of the ministry. In November 1992, he was elected a member of the 14th CPC Central Committee. In January 1993, he was appointed secretary of the Hainan Provincial CPC Committee and governor of the province.

Ruan Chongwu has a good command of Russian. One of his leisure hobbies is playing tennis. Having once worked as a senior diplomat in Western Europe and having headed two major ministries of the State Council, he has acquired extensive work experience and is familiar with leading positions. However, he said with an open mind:

"Wherever you work, you have to work hard all the same. After all, every living person has to take up one job or another."

Asked about his future plans and ambitions, he said: "I do not want to talk much about the future as it is dangerous to make promises."

The reason for his reply is, as he explained: "I am a man of action."

Work Starts on Sino-Foreign Brewery in Hainan

OW1909141994 Beijing XINHUA in English 1405 GMT 19 Sep 94

[Text] Haikou, September 19 (XINHUA)—A foundation stone-laying ceremony was held here today for a Sino-foreign joint-venture brewery designed to manufacture 130,000 tons of beer annually.

The brewery will be built by the Hainan Beer Company, the Asia-Pacific Brewing Company of Singapore and the Heineken Group of the Netherlands.

Covering 20 ha, the brewery will be built at a total cost of 58 million U.S. dollars in the Jinpan Industrial Development Zone in this capital of Hainan Province.

The Chinese partner will contribute 20 percent of the investment.

It is scheduled to go into operation at the end of 1996, and eventually will turn out 250,000 tons a year.

Importing brewing technology from the Dutch company, the brewery will manufacture Tiger Beer and Heineken Beer.

Hubei Leaders Listen to Party Building Report

HK1909144094 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 1 Sep 94

[Excerpts] On 30 August, Guan Guangfu, secretary of the provincial party committee; and Wang Zhongnong, Liu Rongli, Deng Guozheng, and Huang Jianzhi, members of the standing committee of the provincial party committee; listened to the work report by the party building investigation group of the provincial party committee. The report was about the activities of strengthening party building under the conditions of the socialist market economy. The investigations arranged by the provincial party committee were carried out by 11 investigation teams composed of cadres from the discipline inspection commission, the organization department, the propaganda department, the policy research office, the enterprise work commission, and the college work commission of the provincial party committee. Over a period of two weeks, they carried out investigations in Wuhan, Qinzhou, Xiangfan, Yichang, Xiaogan, Yanning, Shashi, and Xingmen, and in the counties, cities, institutions, enterprises, and colleges under the leadership of these cities and prefecture. The investigation reports covered such issues as studying the theory of

building socialism with Chinese characteristics, maintaining and perfecting the inner-party democratic centralist system, improving party style, struggling against corruption, party building in state-owned enterprises, party building in grass-roots units in rural areas, and party building in middle schools and institutions of tertiary education. [passage omitted]

After carefully listening to the reports, Guan Guangfu stressed: In the new period of building the socialist market economy, it is necessary to strengthen party building, and to strengthen the party's leadership over work in all fields. First it is necessary to subject our work to the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, and this contemporary Marxist theory must be mastered. The study of political theory should be popularized and deepened. The role of party organizations at all levels as the core of the institutions and the communities, and as the exemplary and vanguard role of the party membership, should be brought into full play. The ability of the party organizations to control the overall situation, manage the economy, and resist corrosive influences in the process of building the socialist market economy should be enhanced. Their rallying force should be enhanced too. [passage omitted]

Wang Zhongnong, Liu Rongli, Deng Guozheng, and Huang Jianzhi also gave speeches at the meeting on such issues as studying theories, consolidating the organizational structure, and carrying out policies and regulations in the process of party building.

Hunan Government Holds Meeting on Combating Inflation

HK2009091394 Zhengzhou Henan People's Radio
Network in Mandarin 2300 GMT 3 Sep 94

[Excerpts] Yesterday afternoon [3 September], the provincial government held a telephone conference on curbing inflation and price hikes, requiring all localities to adopt effective measures for halting excessively rapid price increases as soon as possible. Governor Ma Zhongchen; [name indistinct], deputy chairman of the standing committee of the provincial people's congress; Fan Qinchun, [name indistinct], Zhang Shiyang, and Yu Jiahua, vice governors of the province; and [two names indistinct], deputy chairman of the provincial committee of the Chinese People's Political Consultative Conference; attended the meeting.

At the meeting, Governor Ma Zhongchen pointed out: At present, prices in this province are increasing by a wide margin and on a broad scale. In particular, the prices of many daily necessities—including various foodstuffs and basic services in people's daily lives—have been increasing sharply. This has affected the livelihood of the masses, and especially of workers in enterprises that are bogged down in financial difficulties, peasants in poor areas, and students who are receiving

secondary and tertiary education. If no effective measures are taken to halt this tendency, reform, opening up, economic development, and social development will all be affected adversely. Leading comrades all must understand the seriousness of this problem, realize the importance of curbing inflation, and take this as a priority task in macroeconomic control and regulation. [passage omitted]

Vice Governor Fan Qinchun made concrete arrangements for the work to curb inflation and halt excessively rapid price increases. He required all prefectural, city, and county governments to immediately set limits on the prices of meat, eggs, vegetables, and to strictly control prices in rural markets. In particular, the prices of chemical fertilizer, pesticides, and farming film must be brought under control. The price of urea must be lowered to a level below 1,400 yuan per tonne by the end of September.

Southwest Region

Guizhou Governor Inspects Tongren 29 Aug-1 Sep

HK2009093994 Guiyang Guizhou People's Radio
Network in Mandarin 2300 GMT 1 Sep 94

[Text] During his recent inspection of Tongren Prefecture, Governor Chen Shineng made an emphatic call for further emancipating minds; grasping each and every opportunity; deepening reform; and accelerating the pace of economic growth.

Led by Governor Chen Shineng, persons in charge of the relevant provincial people's government departments and bureaus inspected Tongren Prefecture from 29 August to 1 September. In Tongren, they went deep into a large number of rural areas, factories, mines, and enterprises; inspected agricultural and industrial production, town and township enterprises operations, and the construction of infrastructure facilities; and listened to economic work reports by the Tongren Cigarette Factory, the Tongren City People's Government, the Wanshan Special District People's Government, the Jiangkou County People's Government, the Tongren Administrative Office, and many other units.

Governor Chen Shineng spoke highly of Tongren's achievements in building the two civilizations, and called on Tongren Prefecture to focus on the following eight key aspects in the economic domain:

1. To vigorously promote industrial development, for industry is the province's economic pillar;
2. To tackle thorny economic problems by looking into both root causes and symptoms;
3. To step up market-oriented production with an eye to achieving optimal economic efficiency;
4. To persist in the principle of self-reliance and hard work;

5. To map out a new train of thought and a flawless plan for Guizhou's economic growth;
6. To promote economic exploitation and the protection of natural resources protection simultaneously;
7. To raise economic construction funds through all possible channels;
8. To promote both centralized and decentralized economic development.

Sichuan Regulations on Private Enterprises

HK2009082894 Chengdu SICHUAN RIBAO in Chinese 2 Aug 94 p 8

["Sichuan Province Regulations on the Management of Private Enterprises"]

[Text] **Public Announcement by the Standing Committee of the Eighth Sichuan Provincial People's Congress (No. 20)**

It is hereby announced that the "Sichuan Province Regulations on the Management of Private Enterprises" have been adopted by the 10th meeting of the Standing Committee of the 8th Sichuan Provincial People's Congress on 26 July 1994, and shall come into force on 1 January 1995.

Standing Committee of the Sichuan Provincial People's Congress
26 July 1994

Chapter I. General Provisions

Article 1. These regulations are formulated in accordance with the relevant laws and regulations of the state and the reality of Sichuan in order to safeguard the legitimate rights and interests of private enterprises, provide a legal basis for the supervision and management of the production and business activities of private enterprises, and promote the healthy development of private enterprises.

Article 2. For the purposes of the present regulations, private enterprises will mean profit-oriented economic organizations registered according to law, which have assets formed by private investment and owned by individuals and which conduct production and business activities with hired labor.

The number of employees and the minimum registered capital of private enterprises will be specified by the Sichuan Provincial People's Government in the light of the specific conditions of individual trades.

Article 3. The present regulations will apply to the establishment, running, supervision, management, and so on of private enterprises within the administrative jurisdiction of Sichuan Province.

Article 4. Private enterprises are an integral part of the socialist market economy. People's governments and relevant departments at all levels are to incorporate the

development of the private economy into their economic and social development plans, create a favorable environment and favorable conditions for private enterprises to participate in fair competition, and promote the long-term joint development of diverse economic components. In accordance with the state industrial policies, they should encourage the development of production-, technology-, and export-oriented private enterprises and also encourage private enterprises to engage in foreign trade.

Article 5. The legitimate rights and interests of private enterprises are protected by the laws of the state and will not be infringed upon by any unit or individual.

Article 6. The staff and workers of private enterprises may organize trade unions according to law and the legitimate rights and interests of their staff and workers are protected by the laws of the state.

Chapter II. The Organizational Form of Private Enterprises

Article 7. Private enterprises may take any of the following basic forms:

1. Sole proprietorship enterprises.
2. Partnership enterprises.
3. Limited liability companies.

Article 8. A sole proprietorship enterprise is an economic organization financed by a single person who assumes unlimited responsibility for the liabilities of his enterprise.

Article 9. A partnership enterprise is an economic organization with capital contributed in accordance with prior agreement by two or more persons who undertake joint management and jointly assume responsibility for profits and losses.

A partnership enterprise should have a written partnership agreement. The partnership agreement will clearly stipulate details such as the form and amount of capital contribution, the division of surpluses, the bearing of liability, and the entry into, withdrawal from, and cessation of the partnership.

The partners will bear unlimited responsibility for the liabilities of their enterprise both jointly and severally.

Article 10. A limited liability company is an enterprise legal person whose shareholders are liable to the extent of the amount of their capital contribution and which is liable for the debts of the company with all its assets.

The establishment of a limited liability company must comply with the conditions set out in the "Company Law of the PRC."

Article 11. Private enterprises may, in accordance with the provisions of the "Company Law of the PRC," act as promoters of a company limited by shares. A company

limited by shares may be established with five or more private enterprises acting as promoters.

Article 12. Private enterprises may organize group companies. A group company will have three or more enterprise legal persons as promoters and a registered capital of not less than 10 million yuan. It must obtain legal status according to law.

Member enterprises of a group company are liable to the group company to the extent of the amount of their capital contribution, while the group company is liable for the debts of the company with all its assets. Member enterprises may use the name of the group company.

Article 13. Private enterprises may organize enterprise groups. The total registered capital of the member enterprises of an enterprise group must not be less than 10 million yuan. Enterprise groups have to be registered but will not have legal status. Enterprise groups and their member enterprises may not conclude contracts with outside parties in the name of the group. Member enterprises of the group assume their own legal responsibilities.

Article 14. Private enterprises may engage in joint operations with other economic organizations. Parties to joint operations do not undergo a change in ownership and bear legal responsibility in accordance with the terms and conditions agreed upon.

Article 15. Private enterprises may hire small and medium state-owned enterprises or other types of enterprises to engage in production and business activities on their behalf.

Article 16. Private enterprises may participate in property transfer and enterprise mergers according to law.

Article 17. Private enterprises may form equity and contractual joint-ventures according to law.

Chapter III. The Registration of Private Enterprises

Article 18. Any person with the capacity to exercise his civil rights and is not subject to prohibitions under the laws, regulations, rules, and policies of the state may apply for permission to establish a private enterprise.

Article 19. To apply to register a private enterprise, one must possess the necessary documents and go through registration formalities at industrial and commercial administrative organs at county level or above at the site of production and operation, or the place where the main administration organization of the enterprise is located. Private enterprises may commence operation only after obtaining a "business license" or "enterprise legal person business license."

Article 20. The following documents must be produced when applying for registration of private enterprises:

1. Documents of identification of the person or persons providing the capital.

2. Application for business registration.

3. Property rights or land-use certificate for the site of operation.

4. Article of association or partnership agreement of the enterprise.

Applications for registration of private enterprises with legal person status must be accompanied by legal investment verification certificates. Applications for registration of private enterprises in the form of limited liability companies must be accompanied by the documents specified in the "PRC Regulations Governing the Registration of Companies." Applications for group companies and enterprise groups must be accompanied by the necessary documents in accordance with Articles 12 and 13 of these regulations.

In the case of production and operations requiring special conditions or special approval under certain laws, regulations, and rules, the relevant approval documents must also be provided.

Article 21. Within 14 days of receiving an application for business registration, the company registry must process the registration and issue a "business license" or "enterprise legal person business license" if the requirements are met. If the requirements are not met, registration will be refused and an explanation as to the reasons for the refusal will be given.

Article 22. After commencement of operation, a private enterprise must submit the name list and labor contracts of its employees to the labor administrative organ and industrial and commercial administrative organ for the record.

Article 23. A private enterprise must file tax registration forms, open bank accounts, and prepare official chops for operation and contracts by dint of business license within 30 days of obtaining the license.

Article 24. After commencement of operation, a private enterprise with legal person status may not reduce its registered capital. If a reduction is indeed necessary, it must prepare a balance sheet and property list, make newspaper announcements to notify its creditors within the time limit set out in Article 186 of the "Company Law of the PRC," and report to the registration authorities for examination and approval. After the period of public announcement, it may apply to the registration authorities for a change in registration.

After commencement of operation, a private enterprise with legal person status wishing to increase its registered capital should provide the registration authorities with legal investment verification certificates for the additional capital and go through formalities for a change in registration.

Article 25. A private enterprise must apply to the registration authorities for a change in registration or re-registration in the case of separations, mergers, transfers,

removals, the establishment or abolition of branches, and changes in principal registered items, making public announcements of the changes in accordance with relevant stipulations.

Article 26. In the event of termination of business, a private enterprise must carry out liquidation, clear its tax payments, repay all debts, make a public announcement, and cancel its registration with the approval of the original registration authorities.

A private enterprise with legal person status will apply for insolvency in accordance with Chapter 8 of the "Company Law of the PRC," the procedures governing debt repayment for insolvent enterprises under the "Law of Civil Proceedings of the PRC," as well as the relevant stipulations of the state.

Article 27. A limited liability company will comply with the provisions of the "PRC Company Registration Regulations" when applying for changes in registration, re-registration, or cancellation of registration as referred to in Article 24, Article 25, and paragraph one of Article 26.

Article 28. State organs, enterprises, and establishments may not produce false documentation or resort to other means to have private enterprises registered as "state-owned" and "collective" enterprises.

Article 29. In the management of registration, registration authorities at the higher level will order registration authorities at the lower level to rectify improper acts of registration.

Chapter IV. The Rights and Obligations of Private Enterprises

Article 30. A private enterprise with legal person status enjoys all corporate property rights and civil rights and assumes civil responsibilities according to law.

Those who make capital contributions to a private enterprise with legal person status are entitled as owners to benefit from assets, make important decisions, choose managers, and so on in proportion to their share of capital in the enterprise, and may transfer and enjoy the right to dispose of inherited property according to law.

Those who make capital contributions to a private enterprise without legal person status enjoy ownership rights and the right of possession, use, proceeds, and disposal in proportion to their shareholdings in the enterprise. They also enjoy the right of disposal of inherited property according to law.

Article 31. In their production and business activities, private enterprises enjoy the following rights:

1. The exclusive right to use the approved and registered name and registered trademark of the enterprise.
2. Autonomy within the approved and registered business scope.

3. The right to apply to banks for loans.

4. The right to apply to land management departments for land and secure land-use rights for purposes of production and operation according to law.

5. The right to decide on the organizational set-up of the enterprise and to employ staff and workers independently according to law.

6. The right to decide on the form of distribution and wage levels of their staff and workers according to law.

7. The right to decide on the distribution of profits independently according to law.

8. The right to draw up, implement, change, or terminate economic contracts according to law.

9. The right to decide on the price of their products and the rates of their service charges according to law (with the exception of those whose prices are fixed by the state).

10. The right to apply for permission to partake in state research and development projects.

11. The right to apply for patents.

12. The right to participate in the state appraisal of professional and technical titles and decide on the grading and use of titles within the enterprise.

13. The right to carry out advertising and propaganda according to law.

14. The right to submit applications for changes, cessation of business, production stoppages, and insolvency according to law.

15. Other rights vested in them by the laws and regulations of the state.

Article 32. Private enterprises have the right to refuse to pay charges, fines, apportionments, and above-normal charges in addition to charges and fines stipulated by laws and regulations and required by the provincial people's government.

Article 33. No unit or individual may wilfully seize or occupy the sites for production and operation lawfully used by private enterprises. If dismantling is required for redevelopment, the construction unit will provide reasonable settlement in accordance with the relevant stipulations of the state and losses will be compensated for accordingly.

Article 34. Private enterprises have the right to go to relevant state organs to report, lodge complaints, or file charges against infringements against their legitimate rights and interests.

Article 35. Enterprises will fulfill the following obligations:

1. Abide by the laws, regulations and rules of the state.

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2. Pay tax according to law.
3. Engage in production and business activities according to the business scope already approved and registered.
4. Adhere to the principles of voluntariness, equality, fair play, honesty and trustworthiness and observe professional ethics.
5. Honor economic contracts.
6. Establish and improve a financial system in accordance with the General Financial Regulations for Enterprises and the Accounting Standards for Enterprises.
7. Pay charges in accordance with laws and regulations and as required by the provincial people's government.
8. Clearly indicate the factory name, address, certification label, and other quality labels on merchandise produced or handled;
9. Protect the legal rights and interests of their staff and workers and provide the necessary conditions for their trade unions to operate.
10. Protect natural resources and the ecological environment.
11. Accept supervision and management carried out by state administrative organs according to law, as well as supervision by the public.

Article 36. In the employment of staff and workers, a private enterprise will, in accordance with the "PRC Labor Law," conclude labor contracts with laborers, clearly setting out the rights and obligations of both parties. In addition to the mandatory terms stipulated in the "PRC Labor Law," a labor contract may also include a probation period of not more than six months, as well as a time limit within which staff and workers must keep the commercial secrets of their enterprise.

Article 37. A private enterprise will, in accordance with the "PRC Labor Law," pay its staff and workers labor remuneration in full and at the stated time, ensuring that staff and workers can enjoy rest, welfare, labor protection, labor insurance, and other benefits prescribed by the state. They will provide staff and workers with unemployment, old-age, and medical insurance. Those engaged in industries which affect people's health or safety must provide their staff and workers with labor insurance in accordance with the relevant labor protection regulations of the state.

A private enterprise will provide its staff and workers with vocational education and on-the-job training, improve working conditions, strengthen labor protection, and ensure safety in production.

Article 38. A private enterprise may not employ child labor or primary and junior secondary school students still studying at school; minors over 16 years but below 18 years of age in its employ may not be assigned to

excessively strenuous and perilous work involving the use of poisonous substances or to hazardous duties.

A private enterprise may not abuse, insult, or beat up its staff and workers or induce, entice, and coerce its staff and workers into engaging in illegal activities.

Article 39. A private enterprise may not engage in the following activities:

1. Production and selling of fake and inferior merchandise.
2. Production, broadcasting, selling, or leasing of reactionary and obscene books, magazines, pictorials, and audio-video products.
3. Soliciting customers by means of sex or gambling.
4. Evading or resisting taxation.
5. Violating state regulations regarding prices and charges.
6. Withholding truth, providing false certification, or falsely declaring registered capital.
7. Failing to take action in respect of changes in enterprise registration, re-registration, and annual inspection as required.
8. Leasing out, transferring, altering, forging, or making unauthorized copies of the business license and copies thereof.
9. Surreptitiously withdrawing capital and assets in an attempt to avoid debts.
10. Other activities prohibited by the laws and regulations of the state.

Chapter V. Supervision and Management

Article 40. Industrial and commercial administrative management organs at the various levels will exercise comprehensive administrative management over private enterprises according to law.

Industrial and commercial administrative management organs at the various levels will strengthen coordination with relevant administrative organs and assist private enterprises in matters relating to loans, sites, product appraisal, exports, technical training, appraisal of technical titles, and overseas business trips.

No units or individuals other than industrial and commercial administrative management organs have the power to withhold, take over, or cancel the business license of enterprises.

Article 41. Labor administrative management organs will, in accordance with law, exercise supervision over the labor system, labor protection, labor conditions, as well as the labor contracts of private enterprise and act as mediators and arbitrators in labor disputes.

Article 42. Administrative organs in charge of planning, taxation, land, construction, communications, public health, technical supervision, pricing, culture, public security, and other matters will actively support private enterprises in their development and cooperating with one another, providing supervision and guidance to private enterprises in production and operation within their powers according to law.

Article 43. State organs and state functionaries may not abuse their powers, practise favoritism and fraud, ask for and take bribes, and infringe upon the legitimate rights and interests of private enterprises.

Chapter VI. Associations of Private Enterprises

Article 44. Associations of private enterprises are social organizations organized by private enterprises under the people's government to carry out "self education, self management, and self service," safeguard the legitimate rights and interests of private enterprises, and to assist the government and other departments in doing a good job of the supervision and management of private enterprises. Associations of private enterprises may have corporate members as well as individual members.

Article 45. Associations of private enterprises established on the basis of administrative divisions at and above the county level handle the registration of social organizations according to law, develop their own work independently in accordance with their articles of association, and accept the guidance of industrial and commercial administrative management organs at the same level.

Associations of private enterprises may establish branches for individual trades or grass-roots units.

Article 46. Associations of private enterprises may organize mutual fund organizations on a voluntary basis. The articles of association of mutual fund organizations will be filed with the People's Bank for the record.

Chapter VII. Legal Responsibilities

Article 47. Private enterprises that commit any of the following acts will be handed the stated punishments by industrial and commercial administrative management organs according to the seriousness of each case:

1. Enterprises violating paragraph 3 of Article 35 will have their illegal income confiscated and be fined not less than 1,000 yuan and not more than 20,000 yuan. In serious cases, they may be ordered to cease operation and undergo a reshuffle.

2. Enterprises violating paragraph 6 of Article 39 will be ordered to make rectification. Those falsely declaring their registered capital will be fined the equivalent of not less than 5 percent and not more than 10 percent of the falsely declared registered capital.

3. Enterprises violating paragraph 7 of Article 39 will be fined not more than 1,500 yuan.

4. Enterprises violating paragraph 8 of Article 39 will have their illegal income confiscated, be fined not more than 20,000 yuan, and have their business license cancelled;

5. Enterprises violating paragraph 9 of Article 39 will be ordered to rectify the situation and fined not less than 5 percent and not more than 10 percent of the capital or property surreptitiously withdrawn.

Article 48. Enterprises operating without a license in violation of Article 19 will have their illegal income confiscated by industrial and commercial administrative management organs; those that measure up to registration requirements will be ordered to complete registration formalities within a specified time; those that do not measure up to the requirements will be ordered to cease operation; those that refuse to listen or accept management will be fined not more than 50,000 yuan, and may have their goods and materials taken over and their production tools confiscated. If a criminal offense is constituted, criminal liability will be pursued according to law.

Enterprises operating as a company without a license will be fined in accordance with the provisions of the "PRC Company Law."

Article 49. Those private enterprises that violated paragraphs 7, 8, and 10 of Article 35, Article 36, Article 37, Article 38, and paragraphs 1, 2, 3, 4, and 5 of Article 39 will be fined in accordance with the laws and regulations of the organs of power. If the circumstances are serious, the business license may be cancelled by industrial and commercial administrative management organs. If a criminal offense is constituted, criminal liability will be pursued according to law.

Article 50. Private enterprises refusing to cooperate with or obstructing state functionaries in their discharge of official duties will be fined by public security organs in accordance with the "Public Security Management and Penalty Regulations of the PRC." If a criminal offense is constituted, criminal liability will be pursued.

Article 51. Besides having to bear the appropriate civil responsibility, state organs, enterprises and establishments that issue false certificates in violation of Article 28 will be ordered to rectify the situation, have their illegal income confiscated, and will be fined not less than 10,000 yuan and not more than 50,000 yuan by industrial and commercial administrative management organs. The personnel in charge who are directly responsible will be investigated by organs of power for administrative responsibility.

Industrial and commercial administrative management organs or the personnel in these organs causing the false registration of private enterprises either by mistake or with intent will be investigated by organs of power to affix the administrative responsibility to those directly

responsible. If a criminal offense is constituted, criminal liability will be pursued according to law.

Article 52. State organs and state functionaries infringing upon the legitimate rights and interests of private enterprises and incurring losses as a result of their exercise of power in violation of the law will be held responsible for compensation in accordance with the provisions of the "State Compensation Law of the PRC."

State functionaries who violate Article 43 of the present Regulations will be subject to administrative sanctions and economic fines by organs of power according to the merits of each case. If a criminal offense is constituted, criminal liability will be pursued according to law.

Article 53. State organs at various levels and their agencies which increase the burdens of private enterprises in violation of the laws, regulations, and rules of the provincial people's government will be fined in accordance with the "Regulations Governing the Supervision and Management of Enterprise Burdens in Sichuan Province."

Article 54. Private enterprises may not be punished twice by administrative management organs for the same economic offense in production and operation citing the same facts and reasons.

Article 55. Fines and confiscated income collected under the provisions of these regulations will be handed over to the financial departments at the same level.

Article 56. If the party concerned does not agree with the punishment meted out by administrative organs, he may apply to the next higher organ for a review within 15 days of receipt of the punishment notification. The next higher organ will review the case within two months of receiving the application.

If the party concerned does not agree with the decision of the administrative organ not to issue a business license, he may apply to the next higher organ for a review within 15 days of his receipt of notification. The next higher organ will review the case within 15 days.

These provisions do not apply where review periods have been separately provided for by other laws and regulations.

If the party concerned does not agree with the review decision, he may take his case to the people's court within 15 days of receiving the review decision. If no application for review and no law suit have been filed and no action has been taken about the punishment meted out, the organ which meted out the punishment may apply to the people's court for forced implementation.

Chapter VIII. Supplementary Provisions

Article 57. Nationality Autonomous Regions may draw up additional provisions in accordance with these regulations.

Article 58. Problems arising from the implementation of these regulations will be explained by the Sichuan Provincial Industrial and Commercial Administrative Management Bureau.

Article 59. These Regulations will take effect as of 1 January 1995.

Sichuan Party Secretary Inspects Mianzhu County

HK1909134994 Chengdu Sichuan People's Radio
Network in Mandarin 1100 GMT 29 Aug 94

[Excerpts] Xie Shijie, secretary of the provincial party committee, inspected Mianzhu County 26-27 August. This year, the county party committee and government have set a policy allowing peasants to participate in city and town construction projects, thus accelerating city and town construction. Xie Shijie fully affirmed Mianzhu County's rapid urban construction, and hoped that the county would do a good job in inviting tenders and introducing capital for urban construction and faster rural economic development. [passage omitted]

Xie Shijie pointed out that enterprises should have a big market mentality, improve the variety and quality of products so as to meet market demands, boldly introduce technicians and professionals, and seize the opportunity to expedite development.

Xie Shijie also invited some villages' party branch secretaries to a meeting to discuss the rural situation. [passage omitted]

After listening to these party branch secretaries' briefings on the rural situation, Xie Shijie said: In the current rural work, we should continue to follow the policy of the provincial party committee and government on adjusting the structure and on moving rapidly toward moderate prosperity. While ensuring state procurement of grain and oil, local resources should be fully used for the development of a diversified economy, and of a high-yield, high-quality, and highly efficient agriculture. Efforts should be made to develop the collective economy, town and township enterprises, and county-run enterprises. [passage omitted]

Raidi Addresses NPC Anniversary Celebration in Lhasa

OW2009072994 Beijing XINHUA in English 0620
GMT 20 Sep 94

[Text] Lhasa, September 20 (XINHUA)—The system of people's congress and regional autonomy constitute the basic political structure in the Tibet Autonomous Region, said Raidi, chairman of the Standing Committee of the Tibet Regional People's Congress.

Tibet will continue to uphold and improve this structure, the chairman said at a party here to celebrate the 40th anniversary of the establishment of the National People's Congress, China's highest legislative body.

The party was also held to celebrate the 10th anniversary of the implementation of the law on ethnic regional autonomy.

Raidi said the establishment of local people's congresses in Tibet 29 years ago indicated that all ethnic groups in Tibet became masters of their own country.

In 1984 the central government issued a law to enhance regional autonomy. In government departments at all levels, officials of the Tibetan ethnic background man major leading posts.

Common citizens are elected to the local people's congresses to take part in the decision-making process concerning their own affairs.

New Development Targets Set for Tibet

HK1909110994 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 13 Sep 94 p 2

[By staff reporter Liu Wei (0491 0251) from Lhasa: "Tibet Has Set Its Development Target: National Economy Annual Growth of 10 percent"]

[Text] The party's Central Committee shows concern for Tibet, and the whole nation gives assistance to it. What should Tibet do? The new development targets for Tibet in the next few years have been made public—striving in every possible way to attain a national economy average annual growth rate of approximately 10 percent, basically fulfilling the task of eliminating poverty, and enabling the majority of the people to reach the level of moderate prosperity.

The specific contents of the development targets, which take optimizing economic structure and enhancing economic results as their preconditions, are as follows: By the end of this century, the GNP will be double that of 1993, reaching 6.95 billion yuan; the per-capita net income of peasants and herdsmen will hit 1,000 yuan; the total grain output will be 1 million tonnes; the power capacity already put into production will reach 400,000 kw, and still more magnificent targets will be set for the projects under construction and preliminary work of projects; secondary and primary schools will be set up in all counties and townships, and the enrollment rate for school-age children will reach approximately 80 percent; the conditions of medical treatment and health care will be noticeably improved; and the coverage rate of radio and television will be raised relatively substantially.

Tibet will pay special attention to the following four key points to boost the economic development for a period of time to come:

Vigorously developing the economy in agriculture and animal husbandry. In the farming area in central Tibet, priority will be given to grain production, and forestry and planting of fruit and vegetables will be developed simultaneously. In the partly farming and partly animal-raising area, the proportion of animal husbandry will be

appropriately elevated, and the road of combining agriculture with animal husbandry will be followed, in a bid to achieve the objective of self-sufficiency in grain, meat, and milk. In the purely animal husbandry area, priority will be given to the production and processing of animal products. In forestry and border areas, development will be focused on intensive processing and comprehensive utilization of forest products, while efforts will be made to boost border trade and diversified operations. In all agricultural and animal-raising areas, capital construction of farm land and pasture, with the stress on water conservancy, will be stepped up, acreage under irrigation will be increased, soil will be improved, and medium and low yield land will be transformed. In the application of science and technology in agriculture and animal husbandry, the work will focus on importing improved varieties of crops that are suitable for high-altitude planting, and on improving fine breeds of animals. At the same time, support will be given to a number of township and town enterprises, so that they will meet the standards in scope, grade, and efficiency, and contribute to Tibet's economic development in agriculture and animal husbandry.

Positively developing secondary industry. The proportion of secondary industry in Tibet's GNP is 13.7 percent, which will be increased in the future so that the abnormal industrial structure will be changed. The three major resources, comprising minerals, forests, and animal products, will be developed, utilized, and processed so as to increase their added value and will become pillar industries in Tibet. In addition, we will increase the intensity of technical transformation in enterprises, centering around the improvement of processing technology, the enhancement of product quality, the development of new products, and so on.

Energetically developing tertiary industry. We will lead various trades, including cultural entertainment, retail sales of daily necessities, and the catering industry, which have advanced more rapidly in Lhasa, to the grass-roots level, and encourage the development of such trades as technical consultancy and real estate.

Appropriately taking the lead in the development and construction of infrastructure facilities including energy, transportation, communications, and so on. While ensuring the construction of large and medium-sized power stations, we will pay serious attention to building small power plants in rural areas and counties which do not yet have electricity, and efforts will be made to construct some more backbone power stations. In the area of transportation, while renovating and upgrading main highways, we will accelerate the construction of rural roads in order to form a traffic network that radiates in all directions. Railroad and aviation undertakings will also be developed. In the area of communications, we will focus on the construction of long-distance transmission networks, with the stress on transmitting facilities such as satellites and optic fiber cables, and a telephone network with program-controlled telephones as the main body.

Tibet Establishes Federation of Industry, Commerce

OW1709145294 Beijing XINHUA in English 1434
GMT 17 Sep 94

[Text] Lhasa, September 17 (XINHUA)—The Tibet Federation of Industry and Commerce was set up today after nine years of preparation in this capital city of the Tibet Autonomous Region.

Lhasa Federation of Industry and Commerce has also been set up, while preparatory groups for another six prefectural federations have been established. More than 400 members have been enrolled in the region's federation at various levels.

The Tibet Federation of Industry and Commerce will help to give full play to the region's private sector, and therefore promote the region's economy, said Yang Zhuantang, vice-chairman of the autonomous regional government, at the federation's opening ceremony today.

Tibet's private economy has made rapid growth over the past few years. The region so far has 41,830 business households, with a total of 65,579 self-employed people.

Survey Views Economic Growth, Living Standard in Tibet

OW1909112994 Beijing XINHUA in English 1051
GMT 19 Sep 94

[Text] Lhasa, September 19 (XINHUA)—Steady rural economic growth and the improvement of people's living standard have paved the ways for an overall development of the Tibet Autonomous Region.

A survey shows that over 80 percent of the farmers and herdsmen have moved into new houses, and many rural families have bought radios, recorders, bikes, sewing machines, tractors and trucks over the past 40 years especially in the last decade, when Tibet carried out its reform and opened further to the outside world.

Last year saw farmers and herdsmen on this highland region obtain an annual income of 521 yuan per capita on record, and consume 270 kilograms of grain per capita, 43.2 kilograms of meat, 80.4 kilograms of milk and 3.9 kilograms of wool.

A regional official attributed the good result to the government's support to agriculture and animal husbandry.

To develop Tibet's rural economy, the state has spent a total of 14 billion yuan on building 24 water conservation facilities, each able to irrigate 667 hectares of land, transforming about 50,000 hectares of farmland, building 11 counties specialized in commodity grain production and five counties in processing livestock products, and fencing up 267,000 hectares of grassland.

It also helped local farmers to replace wooden ploughs by cattle with machinery and introduce agro-science to modernize their traditional ways of farming.

In the grassland, herdsmen were taught to use chemical materials to kill mice and weeds, and fence grassland and build irrigation facilities.

Up to now, the state has provided the Tibetan farmers with about 100 new species of crops, over 80 high-quality grass species, 40 new varieties of livestock and an annual of 100,000 tons of fertilizers, all free of charge.

In addition, the state has spent one billion yuan on developing the valleys of the middle reaches of the Yarlung Zangbo River, the Lhasa River and the Lianchu River to make full use of the agricultural resources since 1990.

With this fund, farmers in those areas have opened up about 6,000 hectares of land, and transformed 240,000 hectares of low-yield farmland.

They have also planted 8,400 hectares of forest and grown 12,000 hectares of grass, helping prevent the farmland from being eroded.

As a result, the region harvested grain totalling 620,000 tons last year, had 22.8 million head of livestock in stock, and produced 100 million kilograms of meat, an increase of 305.2 percent, 134 percent and 800 percent respectively over 1992.

According to the official, the rural industrial enterprises are burgeoning in Tibet, known as the "Roof of the World."

Thanks to the government's low-rate and interest-free loans, the Tibetan people have established about 10,000 township ventures, which have over 30,000 employees and earned 300 million yuan.

Most of the income goes back to agricultural development, the official noted.

During the past two years, the region has focused on the construction of county-level markets.

Living Buddha Ends Seclusion, Begins Pilgrimage

OW2009094594 Beijing XINHUA in English 0709
GMT 20 Sep 94

[Text] Lhasa, September 20 (XINHUA)—Surrounded by devout lama monks and disciples, ten-year-old living Buddha Garmaba prostrated himself in worship of the statue of Sakyamuni. Solemn chanting of Buddhist sutras echoed in crowded Jokhang Temple in the center of this capital of Tibet Autonomous Region.

After two years of seclusion and study, O'kying Chilai, the 17th living Buddha Garmaba of Curbo Monastery, walked out of his residence nestled in a remote mountain

for the first time and started his pilgrimage to Lhasa and Beijing from Jokhang Temple from Monday [19 September].

The living Buddha visited in high spirit the just renovated Potala Palace and paid tribute to halls and stupas of dalai lamas, the statue of Songtsen Gampo, the Tibetan king who unified the Qinghai-Tibet plateau in the seventh century, and an earth stove used by Princess Wencheng, a Tang dynasty princess who married Songtsen Gampo in 641.

Having thrown a piece of snow-white silk "hada" onto a five-meter-high stupa housing the remains of the fifth dalai lama, he clapped his hands and jumped with joy.

During his pilgrimage, he will also visit Zhehung Temple, Sera Temple, Gandain Monastery in Lhasa and Zhaxi Lhunbo Monastery in Xigaze. Then he will fly to Beijing to attend the national day, which falls on October 1. Among his entourage are 11 lama monks, including the head of the Democratic Management Committee of Curbo Temple, his teachers and servants.

O'kying Chilai was the first reincarnated living Buddha approved in 1992 by the central government after 1949.

Over the past two years, he has been living in curbo monastery, some 70 km from Lhasa. Under the strict directorship of teachers and Buddhist masters, he has studied hard Tibetan language and sutras, presented at Buddhist occasions and worshiped for disciples.

He arrived at Lhasa on Sunday, followed all the way along by crowds of pious disciples.

Yunnan Shuts Firms for Illegal Forex, Futures Dealings

HK1909132994 Beijing ZHONGGUO XINWEN SHE in Chinese 0859 GMT 16 Aug 94

[Report by correspondent Su Lixia (5685 7787 7209) and reporter Na Jiahua (4780 1367 7520): "Yunnan Investigates Three Illegal Foreign Exchange and Futures Trading Companies"]

[Text] Kunming, 16 Aug (ZHONGGUO XINWEN SHE)—As disclosed by a financial management department here, Yunnan recently identified and dealt with three trading companies that engaged in illegal foreign exchange and futures transactions.

The three companies are the Yunnan Hengfa Commercial Company, the Yunnan Xingye Economic and Technical Consultancy and Service Department, and the Yunnan Longtai Economic Investment and Consultancy Company Limited. Since the end of last year, in name of providing economic information service for foreign exchange dealings, these companies have presumptuously handled business on behalf of their customers without the approval of the pertinent government departments. They took renminbi as securities, acted as media for the dealings, and charged commissions for

transactions made. According to data, the three companies illegally made more than 3,200 transactions in only a couple of months, and received deposits and commissions amounting to 12.34 million and 1.19 million yuan, respectively. There were more than 80 customers engaged in these dealings. In the meantime, it was discovered that some departments and government workers were involved in these activities or had made things convenient for them. Some even took part in foreign exchange and futures dealings with public funds.

According to a personality in charge of a department concerned, the three companies' actions have disrupted the financial market. The Yunnan Hengfa Commercial Company, in particular, had a larger scope of business and more customers. Therefore, the relevant departments have taken resolute measures to freeze its accounts, seal up its trading documents, and hold its cash in custody. The other two companies were ordered to suspend their business in foreign exchange and futures dealings, and fines were imposed on them. At the same time, the Yunnan Provincial Administration for Industry and Commerce has revoked the three companies' business licenses.

North Region

Hebei Governor on Consumer Price Control

SK1709082494 Shijiazhuang HEBEI RIBAO in Chinese 7 Sep 94 pp 1-2

[Excerpts] As the national telephone and television conference on further enhancing the work of price management was over on the afternoon of 6 September, Governor Ye Liansong arranged the following focal points for the work of further enhancing the work of price management and stabilizing the market prices: Efforts should be made to unswervingly and earnestly implement the spirit of the important speech given by Premier Li Peng and the measures of conducting macro readjustment and control in a down-to-earth manner, to enable the index of commodity prices in September to fall after a rise, and to ensure the annual increased scale of commodity prices to be lower than the national average level. [passage omitted]

In his speech Ye Liansong pointed out: Various cities, prefectures, and governments at all levels, should unswervingly and earnestly implement the spirit of the telephone and television conference sponsored by the State Council and adopt powerful measures to control the inflation and the market prices. The province as a whole has, to date, scored initial achievements in its work of controlling the commodity prices. The highest price limits set by the provincial authorities have been basically put into effect. The trend of large-scale price increases among the commodities of grains, cooking oil, meat, egg, and vegetables, has been brought under certain control. Most cities have stabilized their commodity prices and some of them have somewhat shown a

decrease in this regard. The achievements scored in the former period in controlling the commodity prices should be acknowledged, however, they should not be overly estimated. We must soberly notice that there are still many problems in the price work and that the situation in market prices brooks no optimism. First, the people's governments of some cities have not thoroughly implemented the highest price limits set by the provincial authorities up to the present because they have not yet attached great importance on the current market prices, have issued many general appeals, and have adopted few specific measures. Second, the government's capability in readjusting and controlling the markets has been weaker and the state-run retail network and centers have basically retreated from the business of the people's living necessities such as meat, eggs, and vegetables. Third, problems with regard to mixing up products, practicing fraud, resorting to short weight, and raising prices in a disguised form, have still been prominent. Fourth, the arbitrary collection of charges conducted by trade fairs and markets has still been prominent. In fact, such a collection has been shifted onto consumers. Fifth, the people's feeling has not been stable enough. It is difficult for some people to bear the current market prices that are relatively stable at a higher level. Some of the masses still worry about how long the price limits will last and feel uneasy.

Ye Liansong stated: In view of the situation in the commodity prices of markets as a whole, we have only controlled the increasing trend of prices among several key commodities. Factors that have caused the large-scale increases of commodity prices have not been yet eliminated. Results scored in the enforcement of the state measures of controlling the inflation still need the process of certain time. Therefore, we should not lower our guard in this regard and must do a good job in realistically implementing the 10 measures in line with the arrangements made the State Council. We should adopt a more resolute attitude and more powerful measures to control the inflation and market prices.

Ye Liansong urged: Efforts should be made to implement the measures of conducting macro readjustment and control in a down-to-earth manner, to enable the index of commodity prices in September to fall after the rise, and to ensure the annual increased scale of commodity prices to be lower than the national average level. These are the focal points of work for the next period. In particular, we should achieve in the following aspects:

1. Efforts should be made to realize the target of price control in the province. In line with the demands adopted at the conference of mayors and commissioners held several days ago, various localities should make efforts to enable the index of commodity prices in September to be obviously lower than that in August and to enable the annual increased scale of commodity prices in the province to show a 0.5-1 percentage point decrease over the national average level. Cities and prefectures should strive to fulfill the price control target of enabling

their annual increased scale of retail prices to show a 0.5-1 percentage point decrease over the provincial average level. Beginning from September, 10 provincial level cities will make public their retail price index scored in the former month.

2. Governments should regard as an important work the production and supply of foodstuffs and nonstaple foodstuffs and often and unswervingly grasp the work. By coping with the currently exposed problems in this regard, various localities should rapidly adopt effective measures to deal with them; develop the production in this regard; know well the sources of goods; and increase the volume of necessary storage. As for the practical problems cropping up in production and supplies, the government should organize coordination among various circles and formulate methods to deal with them. We should show concern for residents encountering difficulties, for the people of some areas that have been plagued by the disaster, and for the livelihood of students in universities and junior colleges. The former preferential policies that have been proved effective should be restored. We should work out methods to spend the funds on subsidies to those who deserve to receive and ensure the market supply and price stability among festive periods, such as Autumn Festival, National Day, New Year Days, and Spring Festival.

3. Efforts should be made to continuously uphold without fail the highest price limits for foodstuffs and nonstaple foodstuffs. The province's price limit policies and level are generally linked with the neighboring provinces and municipalities. In view of the situation prevailing in the practical implementation, the province's price limit level is relatively in conformity with its reality. In order to stabilize the market prices during the "two festivals," various localities will not allowed to change the province's price limit policies independently. The state-and-collective-run enterprises and self-employed workers must implement the policies.

4. Strenuous efforts should be made to consolidate the arbitrary collection of charges conducted by rural trade fairs and markets. Various localities should clear up in an overall way the collections of various charges. Through the clear-up, they should fix the charges independently and all arbitrary collections should be resolutely canceled. Those surpassing the standards should be lowered and the former collections that have been on the higher side should be adequately readjusted.

5. Efforts should be made to realistically enhance the management over fertilizer prices to protect the interests of peasants. We should strictly implement the highest price limits set by the State Council for the retail of carbamide, whose per-tonne price should not surpass 1,400 yuan. All increased prices should be lowered to the price limit level before 20 September. In order to saturate the demands of peasants during the period of sowing the wheat crop, we should also enforce the highest price limits among the three fertilizers, such as ammonium

dihydrogen phosphate, ammonium carbonate, and phosphate fertilizer. The highest price limit of per-tonne ammonium dihydrogen phosphate is 2,200 yuan; that of per-tonne ammonium carbonate, 460 yuan; and that of per-tonne locally produced phosphate fertilizer, 340 yuan. Prices that surpass the aforementioned limits should be lowered immediately to the limit level and those that are lower than the limits are not allowed to increase again, which should be fixed in line with the local practical prices scored on 5 September. Efforts should be made to sufficiently grasp the sources of fertilizers to ensure the demands of the local farming season.

6. Efforts should be made to further broaden the dynamics in conducting supervision and inspection over commodity prices. The provincial people's government recently organized 11 work groups of 100 personnel, which are headed by the responsible persons from the provincial level organs concerned. They will conduct supervision and inspection over commodity prices. Various cities and prefectures should further do a good job in conducting the work of controlling the commodity prices in line with the demands and problems raised by the inspection groups. Meanwhile, beginning from September, they should concentrate their time and efforts on earnestly and successfully organizing the mass inspection over commodity prices this year according to the unified arrangements made by the State Council and the provincial people's government. Their emphasis in inspection should be placed on the prices of the people's living necessities. They should earnestly implement the measures of readjusting and controlling the market prices and resolutely bring the trend of over-rapid price increases under control. Various levels are not allowed to issue new measures for readjusting the prices this year. This prohibition should be regarded as a discipline by them, which should be also enforced by them.

7. Efforts should be made to further enhance the leadership over the price work. Governments at all levels should vigorously support price departments to conduct their work. Cities at the prefectural level, but under the jurisdiction of the province, may establish in principle their price bureau independently. Specific cities may also establish their price bureau with other bureaus if necessary, however, the name of price bureaus should continue and their price work cannot be weakened. Price setup at the county level can be established with the departments of industrial and commercial affairs and of administrative management, however, the name of price setup should also continue. After entering the fourth quarter of this year, stress should be particularly placed on enhancing the control over the consumer funds. Price departments at all levels should heighten their spirit, successfully do their duties and conduct their work, and do a good job in playing a functional role in the work of controlling the inflation.

Lastly, Ye Liansong stressed: Functional departments at all levels should enhance their management over markets; consolidate the market order; and deal blows at the

illegal acts of selling fake and low-grade commodities, mixing up commodities, and practicing fraud. In particular, efforts should be made to deal with the problems about which the people have lodged the strongest complaint, such as the high increased scale of commodity prices, rapid price increases, and the disappearance of genuine goods at a fair price. While strictly controlling the price increases, governments at all levels and various departments concerned must grasp the problems cropping up in the production and management in the eight [number as published] fields of medicine, refined oil, cotton, fertilizer, agrochemicals, edible salt, meat, as well as tobacco and wine. The people have lodged a strong complaint about these problems, which have also exerted serious harm. They also must concentrate their efforts and time on carrying out special consolidation among specific items and establish a responsibility system at every level. In line with the duties, leadership in the department should be held responsible for the mistakes committed by their subordinate personnel who have not fulfilled their readjustment tasks, not corrected and dealt with the existing problems in a timely manner, not effectively investigated and handled the serious and appalling cases, and have caused serious influence. Efforts should be made to establish a responsibility system among local party committees and governments and to strictly enforce the management over the system under which the leading personnel hold responsibility for the attainment of certain objectives. Things belong to the level that should be responsible for them. The province should be responsible for cities and prefectures in this regard, so should cities and prefectures for counties, and so should counties for townships. Each of them should carry out summarization and appraisal over the work each year and strictly enforce awards and punishment. Fake and low-grade commodities that have entered the markets, such as pork with injected water and edible salt without iodine, should be investigated thoroughly and strictly handled as soon as they have been discovered to realistically safeguard the interests of consumers.

Hebei Holds Meeting of Mayors, Commissioners

SK1609122194 Shijiazhuang HEBEI RIBAO in Chinese 30 Aug 94 pp 1,3

[By reporter Zhao Ruiquan (7456 3843 3123): "Governor Ye Liansong Makes a Speech at Meeting of Mayors and Commissioners"]

[Text] Accurately understand the provincial economic operation situation, study and arrange the tasks that must prominently be attended to in the next four months, and mobilize the people of the province to resolutely fulfill the targets and tasks defined by the provincial party committee and the provincial government at the beginning of the year. These are the main subjects discussed at the provincial meeting of mayors and commissioners that opened on 29 August. Present at the meeting were some provincial leaders, including

Cheng Weigao, Ye Liansong, Chen Liyou, Li Zhanshu, Gao Yongtang, Wang Youhui, Liu Zuotian, Guo Shichang, Zhang Runshen, Song Shuhua, and Wang Zuwu. At the plenary session held on the same morning, Governor Ye Liansong made a speech entitled "The Current Economic Situation and the Major Tasks in the Next Four Months."

Ye Liansong said: Since the beginning of this year, under the leadership of the provincial party committee and the provincial government and according to the work requirements of the whole party and the whole country, the people of the province have grasped favorable opportunities, deepened reform, expanded the scale of opening up, promoted development, maintained stability, and made achievements in regulating and controlling the macroeconomy. Thus, the positive effect from reform has been shown in a step-by-step manner and the national economy continues to increase at a faster speed. In the first six months of this year, the gross domestic product of the province reached 84.124 billion yuan, an increase of 14.3 percent over the same period last year. Of this, that of the primary industry increased by 6 percent; that of the secondary industry, 17.8 percent, and that of the tertiary industry, 12.3 percent. In the first half of this year, the gross domestic product of the whole country increased by 11.6 percent over the corresponding period last year. The gross domestic product of our province was higher than that of the whole country by 2.7 percentage points. The province reaped a bumper agricultural harvest in summer. The rural economy steadily rose. The industrial production increased at a faster speed. The overall economic results tended to rise. The investment in fixed assets increased at a slow speed. The construction of key projects was strengthened. The sales of consumer goods steadily increased. The foreign export trade volume increased. The amounts of foreign exchange used rose after a fall. The revenues increased more rapidly. The savings deposits rose by a big margin. The financial situation was comparatively good. Viewing the provincial economic operation situation, we know that the overall reform has been progressing smoothly, the economy has been well developed, the political situation has been stable, and society has been stable.

At the time of affirming achievements, we should also notice the difficulties and problems cropping up in the course of advancement. The prominent problems cropping up in the economic operation are as follows: First, the market prices rise by a large margin. The situation of inflation is grim. In the first seven months of this year, the retail sale prices rose by 19.5 percent. The rise was lower than the national average level, but higher than the economic growth rates and the bank loan interest rates. The rise in the retail sale prices ranked the province 15th in the whole country. Of this, those of the urban areas rose by 22.1 percent and that of the rural areas, 17.3 percent. The retail sale prices in July alone rose by 20.3 percent. Such a situation had not been seen for many years in the province. Second, the agricultural foundation is weak, the disaster-fighting capacity is poor, and

the province lags far behind in terms of the agricultural development. In April this year, some 61 million mu of farmland were hit by the drought and 1.69 million people in the mountain areas and the plains had difficulties in getting drinking water. Some localities had rainstorms from the beginning of July. Thus, our province was hit by the serious floods and waterlogging. Third, a considerable number of state-owned industrial enterprises are confronted with greater difficulties, their growth rate is comparatively low, their economic results are not good, and the number of money-losing enterprises increases. From January to July of this year, the output value realized by the state-owned industrial enterprises reached 69.057 billion yuan, only increasing 4 percent over the corresponding period last year. As of the end of July, 1,673 state-owned enterprises suffered losses, accounting for 40 percent of the total state-owned enterprises and showing an increase of 14.4 percentage points over the same period last year. Three hundred and thirty-seven large and medium-sized enterprises or 41.4 percent suffered losses, up 118 over the same period last year. Fourth, the insufficient input to fixed assets affects the reserve strength for economic development.

Facing these problems, Ye Liansong stressed the necessity to overcome difficulties and adopt effective measures to emphatically grasp the following few tasks in the next four months:

First, we should realistically combat disasters, provide disaster relief, strengthen the autumn crop field management, and strive to reap bumper agricultural harvests. This year, the province's agricultural situation is comparatively good. However, droughts appear in some localities again because some localities were hit by the serious floods and waterlogging. All this has added difficulties to the realization of the targets for turning out 46 to 47 billion jin of grain and 700 million to 1 billion jin of cotton as defined at the beginning of this year. To this end, we must not lower our guard. We should prominently attend to three tasks in line with the requirements for reaping bumper agricultural harvests, increasing the income of the peasants, and the current agricultural and rural work. We should ensure a stable increase in the basic farm products, such as grain, cotton, and oil-bearing crops. The governments at various levels in the disaster-hit areas should positively organize the masses to engage in production and provide disaster relief. We should vigorously develop town and township enterprises. At the time of grasping the aforementioned three tasks, we should work according to the arrangements made at the beginning of this year to continuously grasp high-yield, high-efficient, and good-quality agriculture; the construction of a rural socialized service system; family planning; and assistance to the poverty-stricken areas' development. We should make efforts to elevate agriculture and the rural work to a new height.

Second, we should comprehensively fulfill the targets for increasing the added value of the whole industry, the profits and taxes realized by the independent accounting

industrial enterprises at or above the township level, and the investment in technological transformation of state-owned units and local state-owned units; for reducing the deficits of large and medium-sized industrial enterprises; and for increasing the overall index for the economic results of independent accounting industrial enterprises at or above the township level to ensure a fast industrial growth rate. We should make efforts to pioneer markets. The key to ensuring that the economy can develop in a sustained and fast manner in the latter half of this year hinges on markets. We should further work out, perfect, and implement various kinds of effective policies to promote sales; and persistently make full, good, and flexible use of state and provincial policies and measures for enlivening enterprise management and sales. Industrial enterprises should carry out various forms of systems of responsibility for purchases and sales, such as the system of responsibility for fulfilling five fixed quotas and one contracted task. All cities, prefectures, and the provincial economic and trade commission, all departments and bureaus in charge of the industrial work, commercial departments, supply and marketing departments, and supply departments should conscientiously organize enterprises to participate in the monthly campaign of promoting sales and reducing the amounts of goods kept in stock. Cities and prefectures should be the first to adopt various forms, such as holding trade fairs, to organize enterprises to expand the sales of products and to handle the products kept in stock. We should grasp favorable opportunities to vigorously readjust the product mix. We should continue to launch the campaign of vigorously helping large and medium-sized enterprises halt deficits and increase profits.

Third, we should reasonably increase input and increase the reserve strength for economic development. In the latter half of this year, on the premise of optimizing structures, we should increase the input to fixed assets and particularly enhance the dynamics of the input to technological transformation of existing industrial enterprises. As for 142 key projects, all cities, prefectures, and departments concerned should positively allocate funds, strictly manage the construction work, ensure the construction quality and quantities, and attain the planned speed. We should ensure that the 42 key projects as fixed by the province should be completed and go into operation as scheduled by the end of this year to gain new production capacity. It is necessary to speed up the construction of other projects as soon as possible. The Beijing-Shijiazhuang double-way expressway should be completed by the end of this year. All cities and prefectures should also start a group of new projects as long as the projects can be approved within the limits of their authorities, conform to the state industrial policies, are able to create good economic results, and have construction conditions, and their products are marketable. The financial departments at various levels should ensure the allocation of funds according to the construction speed.

The projects to which loans have not been granted should strive to be listed in the loan-granting plan no matter their size.

Fourth, we should control the market prices, strengthen market management, and strive to ensure that the rise in goods prices should be lower than the national average increase level. The current market price situation is extremely grim. Since the beginning of August, price hikes have not fallen. If we do not adopt effective measures to control the price hikes, the people's livelihood, reform, opening up, and social stability will seriously be affected. The control over inflation should be regraded as the primary task in the next four months. Through study, the provincial party committee and the provincial government decided that in the next half of this year, no localities are allowed to work out new price readjustment items. This should be regarded as a discipline. The province as a whole should immediately conduct a general price inspection and strengthen the supervision over and the management of market prices. The governments at various levels should organize inspection groups composed of members of people's congresses, the Chinese People's Political Consultative Conference organizations, and democratic parties at the same levels, as well as mass organizations, and send them deep to the grass roots to especially conduct inspections and to conscientiously investigate and resolutely deal blows to those who monopolize prices, reap staggering profits, and cheat at prices. The price departments at various levels should continue to supervise and examine the prices of 22 daily necessities and service charges; particularly strengthen the management of the prices of grain, edible oil, meat, eggs, vegetables, fuel for daily use, and agricultural capital goods which are closely related to the people's livelihood; and ensure that these goods must not be sold at their ceiling prices. We should continue to grasp the "vegetable basket" project and do a good job in purchasing, transporting, reserving, and supplying the people's daily necessities. All mayors should pay attention to "rice bags" and "vegetable baskets" and realistically assume responsibility for ensuring the supply of rice and vegetables and stabilizing price of goods. Particularly, we should achieve the supply of goods during such big festivals as National Day, the Mid-autumn Festival, New Year Day, and Spring Festival. We should continue to carry out the system that the governments at various levels assume responsibility for controlling the overall index for goods prices and regard the control over the index for retail sale prices and the dwellers' consumption index as the major targets for assessing the political achievements of the governments. Shijiazhuang, as the capital of the province, should set an example in controlling price hikes.

Fifth, we should continue to carry out the reform of the financial and tax systems and ensure fulfillment of annual targets for increasing revenues. We should firmly attend to the management of revenues and ensure the fulfillment of the tasks for increasing revenues. We

should strictly control expenditures, ensure the expenditures on key projects, reduce the expenditures on ordinary projects, ensure wage payments, and ensure to strike a balance between revenues and expenditures. The provincial party committee and the provincial government have paid full attention to the wage payments. This year, the provincial financial department has made efforts to help the counties with difficulties solve their problems in wage payments and has decided to transfer 157 million yuan from the base, to allocate 169 million yuan of revenues from resource taxes, to transfer to cities and prefectures 140 million yuan of funds from contracted enterprises, and to lend 250 million yuan to cities and prefectures before Spring Festival. The provincial financial department has negotiated with all cities and prefectures and will investigate and affix the responsibilities of cities and prefectures if any counties continue to be behind in wage payments. The 1994 Teachers Day will arrive soon. Instead of being behind in wage payments, mayors and commissioners must ensure the payment of wages to teachers. The counties (cities), including the cities and prefectures under the jurisdiction of the province, must not purchase sedan cars if they cannot ensure the payment of wages to state employees and teachers.

Sixth, we should make efforts to promote the reform of various supporting systems closely in line with the reform of the enterprise mechanisms and systems. According to the general arrangements of the central authorities and in line with the reform targets defined at the beginning of the year, we should attend to the reform work in two aspects within the year at the time of continuously promoting the reform of the financial and tax, banking, foreign exchange and foreign trade, investment, and price systems and setting up the basic frame of the socialist market economic system. We should first conduct enterprise reform and positively explore effective ways for setting up the modern enterprise system. We should then speed up the setup of social security systems. The setup of social security systems with the main contents of old-age pensions for staff and workers and insurance for the unemployed are the key supporting reforms of next year. We should make efforts to grasp the reforms in these aspects in the next four months of this year. We should accelerate the change of government functions, ensure the fulfillment of the 1994 reform tasks according to the established arrangements, and ensure that the organizational reform will be basically accomplished by the end of 1995 and that the public service system will be carried out throughout the province by the end of 1996.

Seventh, we should implement the strategy for promoting the development of the export-oriented economy and further expand the scale of opening the province to the places at home and abroad. We should first firmly grasp favorable opportunities to promote the development of foreign export trade. Old enterprises should focus their efforts on conducting grafting transformation and promote the import of foreign capital. We should

concentrate efforts on accelerating the pace of building development zones. We should find major travelling traders, hold trade talks on large projects, and effectively use foreign capital. We should continue to open the areas around Bohai Bay, Beijing, and Tianjin to the outside world.

Eighth, we should positively collect funds to support economic development. We should regard the collection of funds to support production, management, and construction as a great matter and attend to it. At the time of grasping savings deposits, we should expand the increment of loans. Simultaneously, we should tap capital potential and enliven existing capital. We should also positively strive to gain state approvals for establishing financial organizations.

Ye Liansong concluded: By comprehensively analyzing both favorable and unfavorable factors for comprehensively accomplishing 1994 tasks, we know that favorable factors occupy a dominant position. To this end, all cities and prefectures, all departments, and the leading cadres at various levels should be sober-minded, go deep to the grass roots to conduct investigations and study, and strive to discover and solve, in a timely manner, the difficulties and problems cropping up in the course of economic operation. Through careful organization and solid work, we should strive to control inflation and reduce step-by-step the rise in prices. We should carry out the rural work in line with the target of making the rural people become fairly well-off and should reap bumper agricultural harvests. State-owned industrial enterprises should register a fast increase in production and realize the target for halting deficits and increasing profits. We should increase input, strengthen the reserve strength for economic development, and comprehensively fulfill the 1994 national economic and social development tasks.

Present at the meeting were mayors, commissioners, chairmen of planning commissions and economic and trade commissions, and responsible persons of provincial-level departments.

Inner Mongolia Secretary Discusses Rural Work

SK1609130094 Hohhot NEIMENGGU RIBAO in Chinese 3 Sep 94 p 1

[By reporters Shen Sixiang (3088 1835 3276), Liu Hongxing (0491 4767 2502), and Yu Jie (0060 2638): "Emancipate the Mind, Seek Truth From Facts, and Create a New Situation in Agriculture and Animal Husbandry"]

[Text] The autonomous regional party committee and government held a rural and pastoral work conference in Hohhot on 2 September. The major topics for discussion at the conference were the analysis of the economic situation of rural and pastoral areas in the region; the work to emancipate the mind, seek truth from facts, and

achieve unity in understanding; and the work to promote Inner Mongolia's rural and pastoral work to a new level and create a new situation.

Liu Mingzu, Wu Liji, Bai Enpei, Peng Cuifeng, Yi Junhua, Zhao Zhihong, Song Zhimin, Zhang Tingwu, and Yuan Mingduo attended the conference. Also attending were leaders of the 12 leagues and cities, principal leaders of 88 agricultural and animal husbandry banners and counties, directors of the offices for rural and pastoral area leading groups, and comrades in charge from the region, as well as leagues and cities.

Bai Enpei, deputy secretary of the autonomous regional party committee, chaired the conference. Liu Mingzu, secretary of the autonomous regional party committee, gave an important speech. Zhang Tingwu, vice chairman of the autonomous region, spoke to give specific arrangements for agriculture, animal husbandry, and rural and pastoral work for the last four months of this year and to give ideas for next year's work.

Liu Mingzu pointed out: Various localities of the region were hit by numerous disasters since the beginning of this year, and the damage was of the largest scale and the most serious in many years. Despite the catastrophic disasters, Inner Mongolia still won a bumper harvest in animal husbandry and is expecting a good one in agriculture. This showed that the region had a very good foundation for rural and pastoral work, and that cadres at all levels and the masses of various nationalities had very high awareness. Therefore, we should have a firm confidence in making rural and pastoral work still better and in facilitating the economic development and other undertakings of rural and pastoral areas.

Liu Mingzu offered his views on current and future rural and pastoral work.

Continued efforts should be made to strengthen the position of agriculture and animal husbandry as the foundation of the economy. Inner Mongolia has laid a fairly good foundation for agriculture and animal husbandry, but this cannot be taken as that we have done enough. Agriculture is the foundation, whose development leads to the development of other sectors. Therefore, we should make continued efforts to strengthen this foundation. Inner Mongolia's per capita share of grain was 500 kg last year. Although it was hit by serious disasters this year, Inner Mongolia still does not have to rely on the grain from outside the region. But for the fairly good agricultural foundation, governments at all levels would have felt the great pressure this year. Therefore, we should make persistent efforts to ensure 1,000 jin of grain per capita and firmly embrace the idea that agriculture is the foundation.

We should uphold the unity between emancipating the mind and seeking truth from facts. Building socialism with Chinese characteristics manifests the unity between emancipating the mind and seeking truth from facts. Inner Mongolia's achievements in rural and pastoral

work in the past few years were attributed to the persistent effort to emancipate the mind and seek truth from facts, which is a magic weapon we should still firmly hold for future development. We should study the industrial structure and supporting measures in line with market demand, and put forward, in a timely manner, some encouraging and realistic targets and methods for development so as to stimulate the enthusiasm of cadres at all levels and the masses of various nationalities and to ensure agricultural and animal husbandry production and sustained, rapid, and healthy economic development in rural and pastoral areas.

Development of an ecological economy should be put in an important place of agricultural and animal husbandry development. Cadres and the masses in Inner Mongolia have very high awareness in ecology, which is a demand put on us by the geographical and regional environment. If we neglect ecology, it is impossible to greatly develop agriculture and animal husbandry. In line with Inner Mongolia's specific conditions, our agricultural and animal husbandry development should be integrated with ecological improvement. It is undesirable to seek high output of grain and livestock at the expense of ecology.

We should uphold the concept of large-scale agriculture, develop agriculture and animal husbandry in line with market demand, and integrate farming, livestock breeding, processing, storage, transportation, and marketing. Under the condition of the market economy, agricultural and animal husbandry production should not be isolated. Instead, agriculture and animal husbandry should be included in the overall economic development and developed in line with the law governing the development of the market economy and the principle emphasizing efficiency. Agricultural and animal husbandry development should be integrated with industrial development, especially the development of light and textile industries, commerce and trade, and township enterprises, so that an industrial system can be established under which production, processing, and circulation are closely coordinated.

We should employ science and technology and promote education to develop agriculture and animal husbandry, upgrade the intensive management and comprehensive production capacity of agriculture and animal husbandry, and develop agriculture and animal husbandry in the direction of high yields, high efficiency, and good quality. We should base our agricultural and animal husbandry development on scientific and technological progress. It was because of our continued efforts to improve the scientific and technological level of agriculture and animal husbandry that we achieved great agricultural and animal husbandry development in the past few years. Technology and trained personnel come from education. Therefore, we should improve education, bring the relations of various sectors into better balance, and train more useful personnel for agriculture and animal husbandry and for rural and pastoral areas.

Disaster-stricken areas should make utmost efforts to develop production to provide for themselves. Party committees and governments at all levels must attach great importance to disaster relief work and step up disaster relief measures. The most important work is to help the people in disaster areas pass the winter. We should again encourage cadres and the masses to donate money and materials and pool funds to solve the housing problems in disaster areas. Agricultural banks should set aside some loans to solve the housing problems in disaster areas more rapidly.

Party and government leadership over agriculture, animal husbandry, and rural and pastoral work should be strengthened. Party committees and governments at all levels should regard agriculture, animal husbandry, and rural and pastoral work as their work priorities. The development of agriculture, animal husbandry, and the economy in rural and pastoral areas depends on 1) our protection and 2) our work, which means strengthened leadership over agriculture and animal husbandry. Cadres at all levels should go down to grass-roots levels to conduct investigation and study; draw up policies that promote agriculture, animal husbandry, and the economic development in rural and pastoral areas; bring the relations between various sectors into better balance; and improve all work to a new level.

Zhang Tingwu analyzed the economic situation of Inner Mongolia's rural and pastoral areas, gave specific arrangements for rural and pastoral work for the last four months of this year, and spoke on the basic ideas for next year's work. He called for a good job particularly in the following eight tasks in the last four months of this year. They are to carry out disaster control and relief work and rebuild homes; to develop agricultural and animal husbandry production in the coming autumn and winter; to increase the growth rate and efficiency of township enterprises; to develop the capital construction for farmland and grassland; to carry out afforestation and fire prevention in autumn; to carry out aid-the-poor developmental projects; to conduct reform and implement policies in rural and pastoral areas; and to improve grass-roots organizations and promote the spiritual civilization.

In conclusion, Zhang Tingwu pointed out: Next year is the last year of the Eighth Five-Year Plan period and also the crucial year for laying a good foundation for the Ninth Five-Year Plan. We should make decisions, plans, and arrangements early and take actions early to successfully coordinate this year's work with next year's. Party committees and governments at all levels should emancipate the mind, seek truth from facts, uplift spirits, enhance confidence, and make new contributions to promoting Inner Mongolia's agriculture, animal husbandry, and rural and pastoral work to a new stage.

Shanxi Secretary, Governor on Economic Work

HK1909032894 Taiyuan SHANXI RIBAO in Chinese 5 Aug 94 p 1

[Report by correspondents Zhang Yongei (4545 0516 1835) and Ding Jinchuan (0002 2516 1557): "The Shanxi Government's Plenary (Enlarged) Session Concludes on 4 August"]

[Text] The Shanxi Government's Plenary (Enlarged) Session, which had lasted two days, ended yesterday. The session, which focused on studying economic work, believed that Shanxi's current economic situation is indeed excellent and the prospects are promising. However, there are still many difficulties and problems facing the economy. It is necessary to further seek unity of thinking, inspire the spirit, unite as one, forge ahead, earnestly implement the measures of the provincial party committee and government on reform, development, and stability, form a combined force throughout the province which focuses on the economy, and strive to fulfill all the annual quotas.

Governor Sun Wensheng presided over the session, which was attended by more than 200 people, including vice governors Guo Yuhuai, Zhang Weiqing, Wang Wenxue, Ji Qingfang, Liu Zemin, and Peng Zhijia; government advisers Yan Wuhong and Wu Junzhou; all members of the provincial government; commissioners and mayors of all cities and prefectures; comrades in charge of the departments directly under the provincial government; directors and managers of 30 large and medium-size enterprises; and comrades responsible for the offices of the provincial government set up in other parts of the country. Leaders of the provincial party committee, provincial People's Congress, and provincial Chinese People's Political Consultative Conference [CPPCC] Liang Guoying, Feng Zhimao, Zheng Shekui, Wan Liangshi, Wang Yunlong, Cui Guangzu, Wu Dacai, Zhang Changzheng, and Le Chengxu were invited to attend the session.

At the closing session, Hu Fuguo, secretary of the provincial party committee, delivered an important speech. He said: Shanxi's economic situation in the first half of the year has been good on the whole. The figures indicate that all localities have registered growth. The achievements are attributed to concerted efforts by the governments at all levels and the people throughout the province. I totally agree with Governor Sun Wensheng's analysis of Shanxi's economic situation and the work arrangements for the latter half of the year. Sun Wensheng's speech was very clear about the guidelines and targets and specified the measures to be taken. Doing practical work is the most essential element of Sun's proposal to study hard, think more, and do practical work. As long as we have achieved these three points, we will certainly be able to do a better job in the latter half of the year.

While discussing economic work, Secretary Hu Fuguo emphatically stressed the following three points: First, while properly doing the work in the latter half of the year, it is necessary to think of the coming year, the implementation of the 8th Five-Year Plan, and the consideration of the 9th Five-Year Plan and ensure a smooth convergence. The comprehensive departments of the province and all cities and prefectures should take the overall situation into account, discover the weak links, and promptly adopt measures to step up work

there. Second, reform should be promoted as a whole. Special attention should be given to the building of a market system and the departments concerned may not do what they like on this question. On the building of a market system, I made three points: Weak market foundation, relatively poor functions, and backward management. To develop a market economy, it is necessary to start from the foundation, nurture the market system, enhance its functions, and strengthen management.

Third, the question of pricing merits attention. The masses have many complaints about prices, primarily the high prices of some commodities. Although the prices are a bit lower compared with the neighboring provinces, the masses are still not satisfied. Take pork for example, it costs 11.7 yuan per kg. Unless measures are adopted to keep the prices down, it will be difficult for us to give the masses and explanation. In addition, the masses are also dissatisfied with the short-term measures. This is related to problems in society as well as stability here. The ordinary inhabitants are most affected by the prices. As they cannot support it, they have asked us to handle the question of prices as we dealt with the old Taiyuan highways.

At the session, Governor Sun Wensheng delivered a speech entitled "Inspire the Spirit, Conquer Difficulties, and Strive To Do Economic Work Well in the Latter Half of the Year." His speech focused on three issues: First, the positive development of Shanxi's economic situation in the first half of the year has been the result of the common efforts made by people throughout the province. Since the beginning of this year, the entire province has focused on the three major issues of reform, development, and stability; has earnestly implemented the principle of "seizing the opportunity, deepening reform, opening up wider to the outside world, promoting growth, and maintaining stability"; and has achieved marked successes. The agricultural and rural situation is good; bumper summer grain harvests have been reaped; and the township enterprises have maintained a rapid growth. Industrial production recovered with every month; the decline in economic efficiency of state-owned enterprises came to an end; a series of measures for strengthening macroeconomic regulation and control were smoothly introduced and their operation has been fine; and the key construction projects have proceeded normally.

Second, grasp reform, transformation, and management and fulfill this year's economic construction tasks in a comprehensive way. Above all, he stressed that reform is the powerful motive force for the development of the productive forces, technical transformation is the effective way for increasing the staying power of enterprises, and strengthening management is an important means for increasing enterprise economic efficiency. The three should be integrated and promoted as a whole. Second, it is necessary to do a good job of financial, taxation, and pricing work. The fundamental way to increase revenue is to develop production. It is necessary to foster a new

financial concept and try by every means to help enterprises boost their production and tap sources of revenue. Management over revenue and taxation should be strengthened. We should exercise strict management over budgets, keep expenditures within the limits of incomes, and strive to maintain a balance. It is necessary to advocate an industrious and frugal life and resolutely oppose extravagance. We should adopt resolute measures to keep price increases strictly under control. Governments at all levels should show concern for the difficulties of the masses in straitened circumstances. It is necessary to continue to deepen rural reform and try every means to reap bumper harvests for the year.

Third, seek unity of thinking, inspire the spirit, and form a powerful combined force of the entire province focused on the economy. Governor Sun Wensheng proposed studying hard, thinking more, and doing practical work. The leaders at all levels should take the lead in motivating themselves and should undertake the responsibility of conscientiously studying market economic theories and knowledge and applying the economic laws to organize and lead economic work. They should do this year's work well in a down-to-earth manner by paying attention to every link and level down to the grassroots. In conclusion, he said: As long as the whole province adheres to the center of economic construction, unites as one, forges ahead, forms a powerful combined force focused on the economy, makes arduous efforts, and boosts reform and opening up, we will certainly be able to push Shanxi's economy in a more favorable direction and fulfill the various targets set in early 1994.

Vice Governor Guo Yuhuai set forth three points on implementing the spirit of the session: First, do well economic work in the latter half of the year from the high plane of grasping the three major issues of reform, development, and stability. Second, in the course of implementing the plans made for economic work at the session, economic efficiency should be put in the first place and should run through all other links. Third, grasp implementation with solid work, maintain the favorable trend, and strive to fulfill the annual quotas.

Tianjin Technology Trade Center Enters 'Final Stage'

OW1909092594 Beijing XINHUA in English 0836 GMT 19 Sep 94

[Text] Tianjin, September 19 (XINHUA)—The construction of north China's biggest technology trade center in the port city of Tianjin has come to its final stage, an official announced Thursday [15 September].

The project, jointly funded by the State Science and Technology Commission and the Tianjin Municipal Government with an investment of 22 million yuan, was a seven-story building with a floor space of 7,000 square meters. It is scheduled for completion in late October.

All the associated systems such as computer information network, large screen display, multi-media broadcast

and program controlled telecommunications are due to be operational at the same time.

Located in the Tianjin New Technology Development Zone, the center has formulated a full range of trading rules and management regulations according to common international practice. Mode of trading includes license trade, trademark trading and transfer of technology.

Northeast Region

Dalian Development Zone Becomes 'Major' Economic Center

OW1809153794 Beijing XINHUA in English 1501 GMT 18 Sep 94

[Text] Dalian, September 18 (XINHUA)—The Dalian Economic and Technological Development Zone has been built into a major economic center in the country, according to a local economic official.

The construction of the zone, the first state-level development zone in northeast China, started in October 1984.

Gao Zi, chairman of the Administrative Committee of the zone, said that the development zone covers an area of 24 square kilometers.

And foreign businesses from more than 30 countries and regions around the world, including the United States, Japan, Germany, France, the Republic of Korea and Hong Kong, have built over 1,000 joint ventures with a total investment of 4.33 billion U.S. dollars.

According to a survey conducted by the Office of Special Economic Zones under the State Council recently, among the coastal state-level development zones, the Dalian Development Zone has ranked first in construction floor space, fixed assets, total investment in infrastructure, use of foreign funds, gross exports and imports and sales overseas.

According to the official, about 80 percent of the capital is from foreign countries and over 90 percent of industrial enterprises are foreign-financed joint ventures.

Of over 1,000 foreign-funded firms, four had an investment surpassing 100 million U.S. dollars each and 93 exceeded 10 million U.S. dollars.

He said that many transnational companies and world consortiums, including the Japan's Cannon, Toshiba and Sanyo, the Pfizer Inc. of the United States and the "Total" petroleum group, have invested in the zone.

More than 30 percent of the production projects introduced abroad are at the world's advanced technological level of the 1990's, he said.

Over 70 percent of the products of the foreign-funded companies in the zone have been sold abroad.

Liaoning Secretary on Aiding Disaster Areas

SK1609143794 Shenyang LIAONING RIBAO in Chinese 1 Sep 94 pp 1, 2

[By reporter Jiang Changqing (1203 7022 7230): "Strengthen the Effort To Make Counties Strong and the People Well-Off, and Incorporate Production and Self-Support Into Long-Term Economic Development"]

[Text] From 24 to 27 August, Gu Jinchi, secretary of the provincial party committee, and Xu Wencai, Standing Committee member and secretary general of the provincial party committee, inspected Kaiyuan city and Xifeng, Changtu, and Tieling counties in Tieling Prefecture, where they listened to the reports on their rural economic development and their situation in combating floods and providing disaster relief. They also went down to some rural areas to inspect some commodity production bases, township and town enterprises, and specialized households. In some villages afflicted by floods, they visited and expressed sympathy to people and learned how disaster areas were providing for themselves by engaging in production. At the same time, they inspected the Tongjiangkou Grand Dam on Dongliao He and some water conservancy facilities that had been destroyed by floods. While fully affirming the achievements scored by these counties (city) in developing the rural economy and in combating floods and providing disaster relief, Gu Jinchi gave some important instructions on how to vigorously develop the economy, develop the shareholding system, provide for oneself by engaging in production, and build party organizations at the grass-roots level in the countryside.

After the targets for the development of rural economy are defined, major issues are to increase the dynamics of work, accelerate the pace of development, and expand the scale and improve the level around the superior natural resources. Gu Jinchi pointed out: Since early August, I have travelled to dozens of counties, and I have felt that all the counties have further improved their idea on development of rural economy. That is, they have accelerated the endeavor to make the people prosperous and the counties strong based on their superior natural resources. To key in developing the rural economy lies in correct understanding of local objective conditions. The areas close to cities should develop the suburban-oriented economy and depend on cities to develop themselves. Coastal areas should develop a coastal economy. Major grain producing counties should use their grain superiority to develop the processing of grain, as well as diversified management. Mountainous areas should develop the mountain-oriented economy by engaging in the development of forest and initiating forestry projects. Market competition means competition in superiority and products. By combining the central authorities' policies with local realities, we should increase the dynamics of work and accelerate the pace of development by firmly grasping the superior industries. Following the path of specialization, commercialization, and industrialization, we should engage

in large-scale cropping and breeding and strive to raise the level of cropping and breeding in order to improve the efficiency of scale. In development, we should pay attention to using markets to bring along rural economic development. A market in Xiliu of Haicheng has sold several billions of commodities in a year. Building a market will make a place prosperous. We should pay attention to using corporations to bring along the development of secondary and tertiary industries. Under any circumstances, should we let peasants personally find sales for their products. We should pay attention to using key enterprises to bring along numerous rural households, as well as the development of the local economy. We should extensively spread the experience of a corporation in Qiaoxi Village in Changtu County's Bamiancheng Town, which brought along peasant households by giving them scientific and technological service.

This year, although agriculture was afflicted by natural disasters, we should not lower our morale. At present, in providing for ourselves by engaging in production, we should have a long-term point of view, incorporate disaster relief to economic development, and vigorously develop secondary and tertiary industries. Gu Jinchi said: In providing for ourselves by engaging in production, we should wait and rely on nothing to overcome difficulties. In this aspect, we should combine self-endeavor with the help of the masses and with the support of the state. In providing for ourselves by engaging in production, we should pay attention to immediate things and provide disaster areas with sufficient food and clothes. What is more important is to incorporate disaster relief into economic development. We should not provide disaster relief only for providing relief. We should have a long-term point of view and use the opportunity provided by disaster relief to develop secondary and tertiary industries. In the seriously afflicted areas, disasters may become the motivation to develop diversified management. At present and in the future, the key of providing disaster relief lies in using the heroic spirit manifested by the masses in combating floods and dealing with emergencies and using the opportunity that the masses are now enthusiastic in providing for themselves by engaging in production to beef up the economy in order to make up for the losses caused by disasters with economic development. All localities should clear the damages caused by disasters and spend the money on developing the economy, where the money is needed most. This time, the money contributed from across the province to aid the disaster areas amounted to 10 million yuan or more. Instead of simply giving some money to disaster areas, we should use this money to help peasants select correct projects to become prosperous. A portion of this contributed money may be invested in garment enterprises to produce clothes for peasants. By doing so, not only a number of enterprises may be saved, the purpose of offering assistance to disaster people will also be attained.

The best way to tackle the shortage of funds is to vigorously develop the shareholding cooperative system

and to pool the money possessed by the masses. This is the issue concerning the orientation of the rural economic development. Gu Jinchi pointed out: When I went to the countryside to conduct investigation and study, some localities told me that they were short of funds. To resolve this problem, it is necessary to gain some loans from banks. However, because bank loans are limited, and one must pay interest for using bank loans, enterprises, whose profits are tiny, will obtain no benefits from the loans after paying the interest. Thus, the best way to resolve fund shortages is to develop the shareholding cooperative system. Ordinarily, peasants need not spend money on housing and on eating, and they just spend money on buying something to wear and buying cooking oil, salt, sauce, and vinegar. Therefore, pooling peasants' money to build shareholding cooperative enterprises will be satisfactory to peasants. However, the year-end sharing of benefits must be ensured for peasants. At the same time, carrying out the shareholding cooperative system will also strengthen the unity between enterprises and their workers. In the past, we frequently stressed workers' status as the masters of their enterprises, but we failed to combine the prosperity of enterprises with the interests of workers. Carrying out the shareholding cooperative system will make every worker care about the rise or fall of his enterprise, and workers' status as the masters of their enterprises will also be realized further.

The development of the rural economy requires suitable ranks of cadres, and making the ranks of cadres younger is a task of strategic importance. We must be tough with both of them. We should vigorously popularize the experiences of advanced grass-roots party organizations and advanced individuals emerged in the current activities of combating floods and dealing with emergencies in order to strengthen the building of party organizations at the grass-roots level in rural areas. Gu Jinchi said: The realization of the goal of the second pioneering program needs a number of competent cadres. After defining the basic idea on making the people affluent and the counties strong, all localities also need a number of competent leaders to lead the masses to attain the goal. Making the ranks of cadres younger is an issue of strategic importance. If we have a number of young cadres who dare to think and do pioneering work as of 2000, we will have a reliable organizational guarantee for the fulfillment of this goal. The ranks of cadres should be better and better. We should break with the outmoded concept of arranging positions according to seniority, and should promote some young cadres who have scored achievements to leading posts as early as possible. Of course, young cadres will not grow into useful persons without the training and help by veteran comrades. Young cadres will also not grow into useful persons without good personal quality and without being tempered in practice. In addition, while promoting economic work, we should never forget the building of spiritual civilization. We must be tough with both of them. Some localities have succeeded in economic work but failed in social order

and public security. Then, these localities cannot be regarded as successful in their work. The more the economy develops, the more we need a good environment. The material damages caused by the current floods to the province were tremendous. This also provided us a chance to temper the vast numbers of party members and cadres. During the antiflood activities, our party members and cadres rushed to wherever there were dangers. In some townships and villages, cadres stayed on the dams for several days and nights, thus making the masses feel that party members and cadres are willing to rush to the forefront at key moments, and making the relations between cadres and the masses even closer. I participated in the memorial meeting for Zhang Mingqi, it was very moving to see that so many masses saw him off despite rainfall. We should conscientiously summarize and propagate the deeds of the advanced grass-roots party organizations and the advanced individuals emerged in the current activities of combating floods and dealing with emergencies, and use their deeds to strengthen the building of spiritual civilization and the building of party organizations at the grass-roots level in rural areas.

'Modern Job Market' Inaugurated in Liaoning

OW1809153894 Beijing XINHUA in English 1445
GMT 18 Sep 94

[Text] Shenyang, September 18 (XINHUA)—A modern job market designed to be open to the whole of China was officially inaugurated September 16 in Shenyang, capital of Liaoning Province.

This is one of the three such inter-regional job markets approved by the Ministry of Personnel. The other two, one in Shanghai and the other in Tianjin, will be open to business soon.

Shenyang, an economic and cultural center, and also a transportation hub in northeast China, set up China's first job service agency in 1983 to break away with the old personnel system, under which the movement of labor remained to be very limited. Then in 1987, a job market was opened, followed by the establishment of a labor dispute arbitration agency.

After 11 years in service, the job market in Shenyang has received a total of 300,000 applicants, introducing jobs to 30,000 people, helping some 56,000 technicians and managerial personnel to transfer their jobs, providing training to 52,000 people, undertaking insurance policies for 15,000 people, and handling 2,551 arbitration cases.

The new job market, built on the bases of the old one, will be managed with the help of a computerized information network. It is designed to serve not only northeast China, but also the whole country. And when conditions are ripe, the market will provide service to overseas businesses.

Liaoning Province Curbs 'Out-of-Control' Price Rises

OW1809141994 Beijing XINHUA in English 1324
GMT 18 Sep 94

[Text] Shenyang, September 18 (XINHUA)—Out-of-control price rises in 14 cities of northeast China's Liaoning Province, which boasts the country's largest portion of urban population, have been curbed, thanks to market as well as administrative measures.

Beginning from the second quarter of this year, prices of grain and non-stable food in the province were rising by big margin, affecting the daily life of the local residents.

To solve the problem, the provincial government set the goal of controlling the retail price index within the level of the first seven months of this year and worked out a responsibility system for governments at provincial, city and county levels to ensure the fulfilment of the goal.

By the end of August, price rises remarkably slowed down as compared with the previous two months.

In shenyang, the provincial capital, with a population of four million, the state-owned grain shops were reopened after over a year of closure and the prices of high-quality rice and standard flour sold in these shops have stood stable at 1.84 yuan (8.6 yuan equals to one U.S. dollar) and 2.12 yuan per kilogram respectively.

Following the stablizing of the grain price, egg price also dropped to six yuan from 6.8 yuan per kilogram.

In order to stablize the grain price, governments have sold large amount of grain to state-run grain shops, which proved to be effective, provincial officials said.

In addition, the provincial government has worked out regulations banning enterprises outside the grain business or the owners of private commerce from being involved in the wholesale of grain, and asking the state-run grain shops to strictly stick to the prices set by the state.

To control the rise in prices of non-stable food, while efforts were made to increase the supply, local finance departments have allocated large amount of funds to be used as subsidies for state-run vegetable shops and for farmers who came directly to cities to sell vegetables.

Meanwhile, inspection tours were organized to crack down on the faked and shoddy goods, on despotic control of market, on forcing up prices and on seeking excessive profits.

In the port city Dalian, the local price departments, which got one million yuan of special government fund to enhance their work this year, set ceilings for prices of 35 kinds of daily necessities. The city also stocked 3,000 tons of meat and put aside 2.5 million yuan as the fund for non-stable food to be used to stablize prices. The efforts made price in Dalian stand at medium level among cities in China.

Northwest Region

Qinghai Secretary on Role of People's Congresses

HK2009091894 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 30 Aug 94

[Text] On 30 August, the provincial people's congress standing committee held a discussion to commemorate the 40th anniversary of the establishment of people's congresses in our province. Huanjue Cenbam, chairman of the provincial people's congress standing committee, spoke at the discussion. He first reviewed the great achievements of our people's congresses over the past 40 years in carrying out socialist construction, exercising functions and powers according to law, ensuring the people's status as the masters of their own affairs, and so on. He said: Over the past 40 years, although the establishment of our people's congress system has undergone an arduous and tortuous course, the system has played an increasingly greater role, and has been supported sincerely by the people of various nationalities. At present, we are at an important juncture in replacing the old system with the new. Attaching importance to the building of local people's congresses and to ensuring that they can exercise their functions and powers according to the law and play their own role in the development of socialist democracy and politics, is an urgent demand of the establishment of the socialist market economy system. Under the new situation, to further strengthen and improve the work of our people's congresses and their standing committees, we should fully understand the importance of the work of our local people's congresses and their standing committees. We should enhance our sense of mission and responsibility. Focusing closely on economic construction, we should strengthen the building of our socialist democracy and legal system, and should create a fine social environment and a fine environment for the legal system as well. We should stick to the correct orientation, and give full play to our enthusiasm, initiative, and creativity so as to push the work of our people's congresses to a new height.

Provincial party Secretary Yin Kesheng made an important speech at the discussion. He said: The past 40 years since the establishment of our people's congresses were years in which socialist construction developed constantly in our province. They also were 40 years in which our people's congress system developed continuously in our province, and made great achievements. Over the past 40 years, and particularly since reform and opening up, people's congresses at all levels in our province and their standing committees, under the leadership of the provincial party committee and of party committees at all levels, have been actively exercising the functions and powers entrusted to them by our Constitution and law. They have done much effective work to develop socialist democracy and the legal system; promote socialist democratic politics; accelerate Qinghai's reform, opening up, and self-development; accelerate the development of the economy, science and technology, education, and culture

in our province; strengthen nationality solidarity; and preserve the political and social stability of the whole province. They have made positive contributions in these respects.

Yin Kesheng added: In the new historical period of building socialism with Chinese characteristics, persisting in and perfecting our people's congress system is an urgent demand of promoting political structural reform, strengthening the building of socialist democracy and the legal system, and giving play to the superiority of our socialist system. It is also an urgent demand of deepening structural reform, promoting our economic construction to a new height, and establishing and improving our socialist market economy system. We must persist in taking the road of socialism with Chinese characteristics. We must further uphold and improve our people's congress system. We must further understand the historical mission of our local people's congresses under the new situation. We must enhance the level of work of our people's congresses. Guided by Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, we must comprehensively implement the party's basic line, the spirit of the 14th CPC National Congress, and the spirit of the Third Plenary Session of the 14th CPC Central Committee. Under the leadership of the party committees at all levels, people's congresses must conscientiously exercise the functions and powers entrusted to them by the Constitution and laws. They must take as their fundamental task the consolidation of the building of socialist democracy and the legal system. They must make efforts to promote the establishment of and to improve the socialist market economy system so as to ensure the sustained, rapid, and healthy development of our socialist modernization.

Tian Chengping, deputy secretary of the provincial party committee, also spoke at the discussion.

Those present included leading comrades Yin Kesheng, Cai Zhulin, Wang Hanmin, Yang Maojia, Sun Zhaoran, Gaisang Doji, Ma Shiqing, (Gao Ni), Han Shenggui and others, as well as responsible comrades from relevant units directly under provincial authorities.

Qinghai Governor Addresses Meeting of County Leaders

HK1909150294 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 31 Aug 94

[Excerpts] A meeting of county party secretaries and magistrates was held in Haidong Prefecture on 27 August. The meeting reviewed various tasks in the first half of the year, and made arrangements for work in the coming four months. Governor Tian Chengping and Vice Governor Liu Guanghe addressed the meeting.

Focusing closely on the general guiding principle of seizing favorable opportunities, deepening reform, expanding opening up, promoting development, and

maintaining stability, Haidong Prefecture has carried out various kinds of work over the past year. It has achieved sustained and stable national economic development, and its reform has been deepening constantly. New progress and development have been achieved in science and technology, education, family planning, the building of spiritual civilization, party building, the promotion of clean and honest administration, and social stability. However, there are still some difficulties and problems, such as a decrease in investment in agriculture, a rise in production costs, unsatisfactory industrial efficiency, a severe shortage of funds for investment, and an imbalance between financial revenues and expenditures. For this reason, the Haidong Prefectural CPC Committee and Administrative Office called on cadres and masses throughout the prefecture to understand the situation clearly, face difficulties squarely, strengthen their confidence, further emancipate their minds, and ensure the complete fulfillment of the task of developing and stabilizing reforms. [passage omitted]

Governor Tian Chengping spoke at the meeting. After briefing participants on the economic development in Qinghai Province from January to July, he said: During the first half of this year, our province achieved sustained, healthy, and stable economic development, though there were still some problems, such as a wider margin of increase in commodity prices, production costs and consumption; the slow growth of fixed-asset investment, and other deep-rooted issues. Although the occurrence of these problems and conflicts is inseparable from the influence of other big cities throughout the country, we must not wait for, or rely on the help of others. We must do something to cope with the situation ourselves. On the one hand, we must strengthen our vegetable basket project and increase the supplies of agricultural and sideline products. On the other, we must strengthen market management to halt the chaos in market prices. If necessary, we must take measures to curb commodity prices.

With regard to fixed-asset investment, Tian Chengping stressed: Various localities must try in every possible way to fully and flexibly utilize their funds to ensure the staying power for economic development. He pointed out: Improvement of people's living standards is based on economic development. Various localities must take economic construction as a focus, and must promote economic construction wholeheartedly. It is necessary to strengthen agriculture as a foundation, and to adjust the crop structure in a practical way. It is necessary to increase the weight of adjusting the structure of our farm production, and to vigorously develop the vegetable basket project and cash crops. It is also necessary to greatly step up our efforts to unify trade, industry and agriculture so as to fully invigorate the rural economy. As far as the industrial sector is concerned, it must conscientiously assess its strong points, develop its own strong points, and avoid its own weaknesses. It must learn from the advanced experiences of others in light of its own

practical conditions, truly implement the responsibility system, and enhance the economic efficiency of county-run industry.

Governor Tian Chengming also aired his own specific views on social stability, party building, and other work.

Qinghai Launches Chinese-Style Socialism Research Institute

HK2009091594 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 28 Aug 94

[Excerpts] The inaugural ceremony of the Qinghai Provincial Institute for Research Into Socialism With Chinese Characteristics and a two-day provincial symposium on socialism with Chinese characteristics concluded simultaneously in Xining on 27 August.

The inaugural ceremony and the two-day symposium were attended by a number of provincial leaders, including Sang Jiejia, deputy secretary of the provincial party committee; Gaisang Doji, vice chairman of the standing committee of the provincial people's congress; Ma Dingxiao, vice chairman of the provincial committee of the Chinese People's Political Consultative Conference; former provincial leader Ma Wanli; and persons in charge of the provincial party committee's propaganda department, the provincial academy of social sciences, the provincial party school, and some other provincial organs.

The symposium studied and discussed a number of important articles written by Comrade Deng Xiaoping and published in Volume 3 of the *Selected Works of Deng Xiaoping*, concerning the building of socialism with Chinese characteristics; highly praised Comrade Deng Xiaoping's contributions to Marxism, Leninism, and Mao Zedong Thought; studied Comrade Deng Xiaoping's socialist market economy theories; and discussed many important theoretical issues, such as enhancing nationality solidarity, safeguarding social stability, and so on.

At the symposium, Sang Jiejia, deputy secretary of the provincial party committee, delivered a speech in which he called on all areas and departments across the province to constantly emancipate their minds; seek truth from facts; clearly understand socialism; vigorously build socialism with Chinese characteristics; unwaveringly adhere to the party's basic line for 100 years; firmly and attentively carry out the party's basic line; conscientiously study socialist market economy theories; comprehensively study and master the scientific nature of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics; clearly understand the relations between Comrade Deng Xiaoping's theories and Mao Zedong Thought; adhere to the principle of integrating theory with practice; and try to guide practice with scientific theory. [passage omitted]

Qian Yuan, director of the propaganda department of the provincial party committee, also delivered a written speech at the symposium.

Qinghai Sends Cadres to Manage Rural Public Order

HK1909130794 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 16 Sep 94

[Text] The provincial party committee and government decided to dispatch 5,000 cadres, in the form of work teams, to carry out an intensive campaign for rectifying the law-and-order situation in rural areas throughout the province beginning in early October. The main tasks for the work teams to be sent to the countryside will be: Giving publicity to party policies and state laws and regulations among the local masses, enabling them to understand the importance, necessity, and urgency of effectively managing law and order in the rural and pastoral areas; calling on the masses to expose and provide information about various criminal activities and to help law enforcement institutions severely crack down on crimes and evildoers; helping grass-roots communities rectify government and management organizations, including the masses' self-government organizations; and establishing and implementing all necessary systems and regulations for the comprehensive management of public security and public order. According to the overall work arrangements, 500 cadres will be dispatched from the Xining area. They will come mainly from 88 provincial departments, and will be sent to various counties in Haidong Prefecture, Menyuan County of Haibei Prefecture, Jianzha County of Huangnan Prefecture, and Gonghe and Guide Counties of Hainan Prefecture. They will work under the unified leadership and guidance of the local county party committees and county governments. In addition, Haidong Prefecture will dispatch 2,000 cadres; Hainan and Haixi Prefectures will separately dispatch 400 cadres; Haibei, Huangnan, Yushu, and Guoluo Prefectures will separately dispatch 300 cadres.

The provincial party committee and government held a mobilization meeting on 16 September. Governor Tian Chengping, deputy secretary of the provincial party committee, required that leaders at all levels be clearly aware that the rural, agricultural, and peasants issue constitute the foundation for our work in all fields, and that without a prosperous and stable situation in the rural areas, there will be no development and stability across the board. Therefore, Tian Chengping demanded that all localities mobilize all forces in society to handle affairs in rural areas properly, as these matters are related to the overall situation: First, invigorating the economy in rural and pastoral areas and guaranteeing the gradual improvement of the living conditions of peasants and herdsmen; second, properly managing public security and public order in rural and pastoral areas, and promoting social stability. All localities and departments should treat seriously the forthcoming campaign for rectifying the law-and-order situation in rural and pastoral areas; dispatch competent cadres to handle this work; and win support from the masses and mobilize their participation through well-organized and effective

work, thus achieving the objective of educating the masses, isolating lawbreakers and criminals, and strengthening local organizations.

Tang Zhengren, member of the standing committee of the provincial party committee and secretary of the provincial commission for politics and law, and Vice Governor Ma Yuanbiao attended the mobilization meeting.

Xinjiang Vice Chairman on New Wave of Foreign Investment

HK2009093594 Beijing ZHONGGUO XINWEN SHE in Chinese 0317 GMT 1 Sep 94

[Report on special interview with Li Donghui, vice chairman of Xinjiang Uygur Autonomous Regional People's Government, by reporter You Xiayin (3266 1115 5419) in Urumqi; date not given: "Xinjiang All Set To Welcome a New Wave of Foreign Investment"]

[Text] Urumqi, 1 Sep (ZHONGGUO XINWEN SHE)—Officials of the Xinjiang Uygur Autonomous Region are elated at the present trend of export-oriented economic development. Over the past several months, a succession of foreign businessmen—particularly some big enterprises and financial groups with enormous potentialities—has come to Xinjiang to inspect, hold trade talks, and set up offices. As shown by various signs, the second upsurge of foreign economic and trade development is coming to Xinjiang.

Li Donghui, vice chairman of the regional government who is in charge of the work of foreign trade and economic cooperation, said in a special interview with this reporter: Two important agreements to be formally signed this year will effectively bring Xinjiang's geographical superiority into play, and Xinjiang will become a genuinely irreplaceable port for China's westward trade. Sharp-sighted foreign companies with a strategic mindset have seized the opportune moment to set foot in this key post.

Li Donghui concretely briefed this reporter on the situation: During his visit to five Central Asian countries last May, Premier Li Peng called for linking up the railways across the Asian and European continents so as to realize unblocked international through transport by removing every obstacle to intercontinental transport, and improving port facilities and services correspondingly. Not long ago, railway experts from China, Russia, and five Central Asian countries called a meeting here to make preparations for their railway ministers' formal signing of the agreement on railway through transport in the coming October. The days of unblocked railway transport along the first Asian-European bridge between China and Uzbekistan are forthcoming.

In addition, three countries neighboring China—Kazakhstan, Kyrgyzstan, and Pakistan—recently have initialed the agreement on highway through transport.

The highway will be open to traffic by 1 July 1995 once the agreement is formally signed this coming November.

In Li Donghui's opinion, in addition to the above-mentioned causes, there are some other factors contributing to the sudden growth of foreign investment in Xinjiang:

—China has furthered all-round opening up and reform, while stressing that the "development of international trade and economic cooperation is the material base for the development of political ties. This practice is very attractive to the international community, and in particular, to neighboring countries, which are constantly altering their past negative views and lifting the restrictions on China.

—Since the State has accelerated the pace of giving strategic priority to the midwest and of implementing open policies, Xinjiang's investment atmosphere has been greatly improved.

With the opening of three new international air routes (to Islamabad, Moscow, and Hong Kong), there are as many as 36 regional, domestic, and international air routes. The Urumqi International Airport, one of the four largest international airports in the country, suitable for the take-off and landing of big aircraft, is under

reconstruction. As for the Asian-European land communication optical fiber project, which will link 10 countries, its Xinjiang section was made available to users in August, thus resulting in a jump in the number of long-distance circuits coming out of Xinjiang from 640 to nearly 2,000. As for the project of laying a double track along the Lanzhou-Urumqi railway, the line will be formally put into operation by the end of this year, and at that time, the maximum annual carrying capacity will reach 50 million tonnes. The first-phase project for the construction of the Turpan-Korla Railway is in full swing.

—Xinjiang's stable political environment, preferential policies on border and minority nationality areas, and rich resources provide foreign businessmen with vast fields for investment and a large market.

In conclusion, Li Donghui said: The autonomous region must further deepen the restructuring of foreign trade and economic cooperation, and vigorously carry out the work of introducing foreign equipment, technology and capital, and regional associations in combination with domestic enterprises. We must vigorously promote diversified trade and the strategy of winning through quality. Meanwhile, we must have a stronger sense of service so as to provide foreign businessmen with more opportunities for cooperation so that both joint-venture parties can have better economic and social benefits.

Article Condemns Attack of UN Resolution*HK2009030894 Beijing RENMIN RIBAO in Chinese
17 Sep 94 p 4*

[By Yue Shi (1471 4258): "UN Resolution 2758 Cannot Be Negated—Taiwan Is Not Qualified To Join the United Nations"]

[Text] Recently, in their attempt to "reenter the United Nations," the Taiwan authorities have had their major leaders release statements, issued a "letter explaining relations between the two sides of the Taiwan Strait," and promoted a climate of opinion through the media, all of which has resulted in a clamor for negating UN Resolution 2758. In their bid to "reenter the United Nations," the Taiwan authorities have resorted to all means available, invented various deceptive and far-fetched excuses, and even distorted historical facts. One of these means was attacking Resolution 2758, arguing sophistically that the resolution was a "product of the Cold War." The line of argument adopted by the Taiwan authorities was fallacious and in total contradiction to objective historical facts.

As is well known, after the PRC was founded in 1949, the PRC Government became the sole legal representative of China. This is an embodiment of the will of the Chinese people and the result of a historical choice made by the Chinese people. It only stands to reason that China's legal seat and rights at the United Nations should go to the PRC. However, the PRC was denied its legitimate rights at the United Nations for a long time due to the United Nations' protracted delay in coming to grips with the problem of representation for China in a just and impartial manner, thus enabling the Chiang Kai-shek regime to illegally occupy China's legitimate seat at the United Nations all that time. This contravened the UN Charter and the basic principles of international law.

Historical currents cannot be resisted. Under the common efforts of UN member states, the 26th UN General Assembly in 1971 adopted with an overwhelming majority Resolution 2758, restoring to the PRC its legitimate rights and seat at the United Nations. The resolution recognizes the "representatives from the PRC Government as the sole legal representatives for China in the United Nations and the PRC as one of the five Permanent Council members"; "determines the restoration of all rights to the PRC"; and "expels immediately Chiang Kai-shek's representatives from the illegally occupied seat at the United Nations and all its affiliate organizations." The resolution returned the UN seat and all rights to the legal representative of the Chinese people and with it resolved the problem of China's right to UN representation in a thorough, impartial, and reasonable manner.

Anyone with historical common sense can see that Resolution 2758 is anything but a "product of the Cold War." It reflects the spirit of the UN member states,

especially those of the Third World, of defending the UN Charter and is a righteous voice for opposing intervention by foreign powers in China's internal affairs. It was a victory for the UN Charter, for the principles of international law, and for every Chinese who passionately loves his motherland and opposes foreign intervention. Particularly noteworthy is the fact that the resolution not only corrected the historical facts, which had been turned upside down, but also smashed the conspiracy of some countries to create "two Chinas" or "one China, one Taiwan" in the United Nations.

Reviewing the past helps one understand the present, said an ancient wise man. Resolution 2758 adopted by the 1971 General Assembly had a momentous and profound impact at the time and still carries highly realistic significance some 20 years later. The PRC Government as the sole legal government of China and Taiwan as an inalienable part of China were confirmed by the UN resolution and recognized by the international community. Most countries in the world recognize the PRC Government as the sole legal government representing the whole of China and recognize that Taiwan is part of China, and have established diplomatic ties with China on this basis. This is the objective reality today. The Taiwan authorities declared openly that they want to expand their international space as an "independent sovereign state." Aiming at Resolution 2758 adopted by the 26th General Assembly in 1971, they said loudly and publicly that "there is no longer 'one China' now" and that "what exist now are 'two countries, two governments.'" They are dreaming of "going into the United Nations under the name of Republic of China." The actions of the Taiwan authorities show that they have abandoned the principle of "one China" and show their sinister intention of splitting Taiwan from the motherland by relying on the support of certain international forces.

People are becoming increasingly aware of the Taiwan authorities' move to intensify its efforts in its "two Chinas" policy at a time of growing exchange and cooperation between the two shores. Patriots inside and outside the island of Taiwan are condemning and opposing this move. The Taiwan authorities should stop traveling on the wrong path and halt on the edge of the precipice; and should not continue in their slide toward separatism, which is dangerous. The only correct path is to uphold the premise of "one China," respect history, face up to reality, orient toward the future, sincerely strengthen cross-strait exchanges and cooperation, and seek and work for the peaceful unification of the motherland.

Journalist Exchanges 'Promote' Cross-Strait Ties*HK1909023294 Beijing ZHONGGUO XINWEN SHE
in Chinese 1153 GMT 26 Aug 94*

["Roundup" by reporter Zhou Jingluo (0719 2529 3157): "Exchanges of Journalists Promote the Development of Cross-Strait Relations"]

[Text] Hong Kong, 26 Aug (ZHONGGUO XINWEN SHE)—Journalist circles on the two sides of the strait have made an indelible contribution to the success of the "Tang-Jiao talks." The development of public opinion on both sides of the strait before the talks, the views of various newspapers which placed hopes on effective cooperation between the Association for Relations Across the Taiwan Strait and the Foundation for Exchanges Across the Taiwan Strait, the utmost efforts made by journalists on both sides of the strait to make detailed reports after Tang Shubei arrived in Taipei, and the touching features of Tang Shubei's meeting with his cousin all played a role in intensifying the creation of a favorable atmosphere for the "Tang-Jiao talks" and reflecting the people's aspiration for the success of the talks.

However, this is only the latest example of how journalist exchanges between the two sides of the strait promote cooperation and mutual trust between the two sides.

Since Taiwan began to allow journalists to gather news on the mainland, thousands of Taiwan journalists have been to various localities on the mainland to gather news. Most media have made objective and fair first-hand news reports to help Taiwan's people understand the tremendous changes that have occurred on the mainland since the beginning of opening up and reform and to satiate their desires to understand China's landscape and local customs and habits. Taiwan's CHUNG KUO SHIH PAO and LIEN HO PAO have sent large numbers of senior reporters and even chief editors and deputy chief editors to visit Guangdong, Fujian, Zhejiang, Jiangsu, Anhui, Shanghai, and other provinces and cities and to make serial reports on changes and progress as well as existing problems and worries in the course of the tremendous changes taking place in these areas.

On the other hand, mainland reporters, who have been able to visit the treasure island only in the past few years, value even more such opportunities, which are not easy to come by. They use their pens, cameras, and voices to report to over 1 billion people on the mainland about Taiwan's reality. Through special interviews with Taiwan's entrepreneurs, specialists, scholars, and ordinary people, along with their on-the-spot observations, they report on Taiwan's economic prosperity, objectively reflect its "bottlenecks" of congested traffic, serious pollution, labor shortages, and scarce resources, and also point out that trade and economic cooperation between Taiwan and the mainland are helping Taiwan's economy evolve and will help overcome Taiwan's economic difficulties.

Reporters from the program "Both Sides of the Strait Sharing Happy Times" of the Fujian Television Station spent seven days visiting the entire treasure island as well as the Penghu Islands. In the series of programs they produced during their visits, mainland viewers were able to view Taiwan's charming scenery as well as the strange

customs and habits of mountain areas there. They also discovered that Lugang looked almost the same as Quanzhou and that Penghu, Zhangzhou, and Xiamen share the same origins.

Recently, reporters from ZHONGGUO XINWEN SHE and the Central Television Station even went to gather news on Jinmen Island, "a prohibited military zone." The date they landed on the island happened to be "August 23," the date in 1958 when the two sides of the strait got involved in an artillery war. They discovered that today, 36 years later, everybody on the island—from the "county head" to ordinary people—were thinking of how to make use of the short distance between Jinmen and Xiamen to develop the economy. The reporters immediately reported this to the people at home and abroad.

The Tang-Jiao talks in Taipei came to an agreement on the methods for further exchanges between journalists on the two sides of the strait. It has been learned that the people in charge of a dozen of authoritative news organizations in Taiwan are preparing to visit the mainland. The two-way exchanges and cooperation between journalists on the two sides of the strait will enter a new stage and they will play an increasingly greater role in the development of relations between the two sides.

Media Delegation Meets Shanghai Deputy Mayor

OW1609173794 Beijing XINHUA in English 1428
GMT 16 Sep 94

[Text] Shanghai, September 16 (XINHUA)—Nearly 300 editors and reporters from Shanghai and Taiwan have been involved in media exchanges, said Sha Ling, deputy mayor of Shanghai today, when meeting a press delegation from Taiwan.

Extending a warm welcome to the Taiwan media delegation which arrived here Thursday [15 September] on a 10-day visit to the mainland, Sha said that relations across the Taiwan Strait have been progressing over the past few years, with more people visiting each other and brisk exchanges in economic, trade and cultural circles, especially closer contacts within press circles between Shanghai and Taiwan.

Sha said he hoped that the press in Shanghai and Taiwan would conduct more exchanges and co-operation so as to increase mutual understanding and make due contributions to promoting closer contacts between Shanghai and Taiwan.

The deputy mayor also introduced to the visitors Shanghai's economic development as well as reform and opening-up. He noted that Shanghai has witnessed a sustained, rapid and healthy economic development over the past 15 years.

The municipality is accelerating infrastructure construction and the development and opening of the Pudong

New Area so as to build Shanghai into an international economic, financial and trade center, Sha said.

The representatives from Taiwan's 16 major media organizations had visited since they arrived here yesterday the press office of the Shanghai municipality, the municipal press and publications administration and local media organs such as the "XINMIN Evening News", "WENHUI BAO" and "LIBERATION DAILY".

Commentary Urges Direct Air Links

OW1909024394 Beijing Central People's Radio in Mandarin to Taiwan 2200 GMT 12 Sep 94

[News commentary by station editor (Yin Xin): "Realize Direct Navigation Between the Two Sides of the Taiwan Straits as Soon as Possible"; from the "News and Current Events" program]

[Text] Dear listeners and friends, the lifting of the ban on direct navigation between the two sides of the Taiwan Strait has become the focal issue that news media on the island [of Taiwan] recently vied with each other in reporting. In this connection, station editor (Yin Xin) wrote a news commentary entitled, Realize Direct Navigation Between the Two Sides of the Taiwan Strait as Soon as Possible. The following is a report of the commentary by (Hu Xin):

[Begin (Hu) recording] The article noted: According to a research report recently completed by National Taiwan University Professor (Tao Shanmin), calculated on the basis of the number of Taiwan people who traveled to the mainland in 1991, direct cross-strait navigation will save 2.5-4 billion new Taiwan dollars from the travel expenses incurred by indirect navigation. Passengers will cut 7 hours and 50 minutes out of their round-trip flight time if they fly direct from Taipei [Taipei] to Xiamen and back instead of taking connecting flights in Hong Kong. To date, more than 3 million Taiwan people have traveled to the mainland and the figure is increasing at an annual rate of 35 percent. As cross-strait, people-to-people contacts become increasingly closer, direct navigation is economically necessary.

The length of time and amount of money to be saved from the lifting of the ban on direct navigation will be considerably sizable if we calculate on the basis of the three direct navigation air routes planned by Taiwan's China Airlines, namely, Taipei-Beijing, Taipei-Shanghai, and Taipei-Xiamen. At a recent meeting held by Legislator Yu Muming to analyze the advantages and disadvantages of direct cross-strait navigation, all four airlines—the China Airlines, EVA Airways Corp., Far East Air Transport Corp., and Foshing Airlines—expressed the hope that the Taiwan authorities will lift the ban on direct cross-strait air navigation at an early date. (Zhang Rongfa), chairman of Taiwan's Evergreen Group, called on the Taiwan authorities to separate

politics from economics. The mainland's air transportation market has a considerable potential. Destinations at 40 cities are all worth developing. He felt frustrated by the fact that Taiwan's contacts with the mainland has to be made via Hong Kong. He believed the future of Taiwan's economy hinges on the establishment of direct links with the mainland.

In 1997, the mainland will resume the exercise of its sovereignty over Hong Kong. Taiwan must face reality and solve the issue of direct links. The five-year aviation right agreement now in force between Taiwan and Hong Kong will expire on 30 April next year. According to the provisions contained in the Hong Kong Basic Law, Hong Kong is not authorized to sign agreements with foreign countries on air transportation between Mainland China and those countries or on air transportation that necessitates flight over Taiwan. At present, the agreement on Taiwan's aviation right was signed between Taiwan's China Airlines and Hong Kong-based Cathay Pacific Airways Ltd. It is valid until May next year. It is impossible for Taiwan and Hong Kong to sign an aviation agreement whose validity extends beyond the year 1997. Foreign airlines must negotiate their right for Hong Kong-Taiwan aviation at Beijing. Realizing direct cross-strait navigation represents an important phase of the development of cross-strait relations at present.

In the face of Hong Kong's reversion to the mainland in 1997, Taiwan's imminent membership in GATT, and Taiwan's intention to develop itself into an Asia-Pacific operation center, the issue of direct cross-strait navigation has already been included in the agenda. Judging from the present close economic contacts between the two sides of the Taiwan Strait, one can see that, in fact, the necessity for direct navigation already exists. The endeavor to only maintain Hong Kong-Taiwan navigation after Hong Kong's reversion to the mainland in 1997 will, in fact, be an effort to realize direct cross-strait navigation. It is an issue that cannot be avoided and whose solution cannot be delayed. The three cross-strait links [navigation, postal services, and trade] should not be a political issue; direct cross-strait navigation does not pose a problem to Taiwan's private sectors at all; and relevant airlines have already made all necessary preparations. Why the issue is so complicated and hard to solve now is entirely due to the politicization of an economic issue. Obviously, it has an adverse impact on the harmony between the two sides of the Taiwan Straits and on their initiative to goad each other to promote development of cross-strait relations. [end recording]

Economic Ties, Trade With Fujian Expanding

OW1909171294 Beijing XINHUA in English 1610 GMT 19 Sep 94

[Text] Fuzhou, September 19 (XINHUA)—Fujian Province, separated from Taiwan by the Taiwan Strait, has brought in a steady flow of investment from Taiwan and expanded trade with the island province in recent years.

An official of the provincial government said that Fujian has approved the establishment of 3,215 Taiwan-funded firms since 1983, bringing in two billion U.S. dollars in Taiwan investment.

To date, 1,380 Taiwan-funded firms have gone into operation in Fujian, manufacturing nearly 10 billion yuan-worth of goods a year—12 percent of Fujian's industrial output value, the official said.

He said that exports from such firms come to 800 million dollars- worth annually, 14 percent of Fujian's total exports.

Taiwan companies have invested in 105 projects, each involving an investment exceeding ten million dollars,

he said, adding that four projects each involve an investment topping 100 million dollars.

Taiwan-funded shoe factories now export a total of 800 million dollars-worth of shoes annually, he said.

Taiwan firms have also invested a total of 900 million dollars in Fujian's farming sector, he added.

So far, Fujian has introduced 1,100 types of crop strains and 4,000 items of agricultural equipment from Taiwan.

Since May 1989 four investment zones for Taiwan firms have been set up in Fujian, the official said.

"Trade between Fujian and Taiwan has been growing rapidly over the past few years," he said, adding that such trade has amounted to 4.59 billion U.S. dollars-worth so far.

Cancellation of Li Attendance at Asiad Confirmed*OW1909143194 Taipei CNA in English 1358 GMT
19 Sep 94*

[By Y.C. Tsai]

[Text] Taipei, Sept. 19 (CNA)—The Ministry of Foreign Affairs on Monday [19 September] officially informed the Japanese Government that president Li Teng-hui has canceled his plan to attend the opening ceremony of the XII Asian Games, scheduled for Oct. 2 in Hiroshima.

Ministry spokesman Rock Leng said the ministry's East Asian and Pacific Affairs Department Director P.Y. Teng had called the Taipei Office of the Interchange Association of Japan earlier in the day to inform the association of President Li's decision.

The interchange association represents Japanese interests in Taiwan in the absence of diplomatic ties between the two countries.

The ministry announcement was made in tandem with a similar one made public by the Chinese Taipei Olympic Committee.

Leng declined to reply if the cancellation of President Li's trip came as a result of Beijing pressure on Japan and the Olympic Council of Asia (OCA) to block Li from attending the games, only saying that the ministry informed the Japanese side of the president's decision with an instruction from the Presidential Office.

The ministry was not involved in the decision-making process, he added.

Li's decision to absent himself from the opening of the Hiroshima games capped a two-week-long diplomatic row that had erupted among Japan, Mainland China and Taiwan following Taipei's announcement that the president would attend the Asiad opening at the invitation of OCA President Ahmad al-Fahd al-Sabah.

Media Group Protests PRC Comments, Ends Visit*OW2009082094 Taipei CNA in English 0733 GMT
20 Sep 94*

[By Chang Lung and Danielle Yang]

[Text] Xian, Sept. 20 (CNA)—A Taiwan media group has decided to cut short its mainland Chinese trip and return to Taiwan Wednesday [21 September], group leader and CENTRAL NEWS AGENCY president Shih Kermin said Tuesday.

Shih said the decision was unanimously made by all 16 members of the group to protest against a hostile statement recently made by Tang Shubei, vice chairman of Mainland China's Association for Relations Across the Taiwan Strait (ARATS).

Tang, as a host of the media group, said in San Francisco on Sept. 18 that Taiwan should be blamed for the worsening of cross-Taiwan Strait relations. He also criticized Taiwan's national unification guidelines.

Moreover, Tang's statement pointed out three no's to Taiwan—no entry to the United Nations, no diplomatic link with the United States, and no vacation diplomacy for Taiwan.

Shih said Tang deliberately politicized the cross-Taiwan Strait exchanges. "As guests of ARATS, we cannot accept such a treatment and there is no reason to continue our Mainland China visits any longer," Shih said.

More importantly, Shih said, if the delegation continues its visit it would send the wrong message to Beijing that the group does not care about Beijing's hostile attitude.

Shih informed ARATS Coordination Department vice director Liu Jianchung about the decision on Tuesday and Liu said it is regretful but he will respect the group's decision and soon arrange for their departure.

Meanwhile, vice president of Taipei's Straits Exchange Foundation Chiao Jen-ho and Mainland Affairs Council chairman Huang Kun-hui said they respect the decision made by the group.

The media group, led by Shih, went to Mainland China Sept. 15 for a 10-day visit. The visit was co-sponsored by the SEF and ARATS as part of a program to promote cross-strait journalist exchanges.

Ministry To Transform Transport Aircraft to Bombers*OW1909203294 Taipei CNA in English 1420 GMT
19 Sep 94*

[By Benjamin Yeh]

[Text] Taipei, Sept. 19 (CNA)—Part of the C-119 transport aircraft currently serving the Taiwan military will be overhauled and turned into bombers, the National Defense Ministry said Monday [19 September].

The decision is included in a report to be given to the Legislative Yuan on Thursday by Defense Minister Sun Chen, and could mark, observers here said, a departure from Taiwan's previous stated policy that it would not take an offensive military stance toward Mainland China.

In an apparent bid to allay fears that Taiwan is at a low ebb in combat capability before its next-generation weapons systems join the military service, Sun says in the report that the military's fighting ability has significantly improved over the past year.

The inauguration in August of a new radar system, along with the US-built Hawk and Lonally designed Sky Bow Missiles, has boosted the Air Force's air defense capability, Sun says, as will the commissioning, before year's end, of the first squadron of locally manufactured Ching Kuo jet fighters, better known as "Indigenous Defensive Fighters [IDF]."

Sun says he believes the IDFs, armed with Sky Sword air-to-air missiles, will be able to counter the threat posed by Beijing's acquisition of Russian-built SU-27s.

The Navy's military buildup is also under way, Sun adds, referring to the acquisition of a Perry-class guided missiles frigate and the leasing of three Knox-class frigates. The Navy also plans to build seven other Perry-class frigates.

Sun indicates in the report that the Army will acquire other AH- 1W [Sea Cobra] attack and OHL TID [name as received] search helicopters within the next few months to further step up the Army's anti-landing ability. The first such US-built helicopters went into service earlier this year.

Hong Kong

Joint Liaison Group Meeting Opens in Beijing

OW2009040594 Beijing XINHUA in English 0345
GMT 20 Sep 94

[Text] Beijing, September 20 (XINHUA)—The 30th meeting of the Sino-British Joint Liaison Group (JLG) opened here this morning.

Prior to the meeting, senior representative of the Chinese side Guo Fengmin and senior representative of the British side H. L. Davies expressed the hope that they would make joint efforts for further progress through exchanging views.

Guo Fengmin disclosed that during the three-day meeting, the two sides will "further exchange views on all items on the agenda".

It was learned that the discussion will mainly center round matters relating to Hong Kong's international rights and obligations; Hong Kong's air service agreement; franchises and contracts extending beyond 1997 and related matters; investment promotion and protection agreements between Hong Kong and relevant countries; surrender of fugitive offenders agreements between Hong Kong and relevant countries; mutual legal assistance in criminal matters between Hong Kong and certain countries; localization of laws; adaptation of laws; the implementation of the provisions of the joint declaration relating to the right of abode in Hong Kong after 1997; visa abolition agreement; the reciprocal enforcement of judgements between Hong Kong and foreign countries; and civil service matters.

Guo extended his warm welcome to Davies, who worked in the British embassy here before 1986.

The last JLG meeting was held in Hong Kong between June 21 and 30 this year.

UK To Raise Container Issue

HK2009041794 Hong Kong EASTERN EXPRESS in
English 20 Sep 94 p 4

[By Rain Ren in Beijing]

[Text] The resumption of Sino-British negotiations in Beijing today on the 1997-handover is expected to achieve little more than agreement to extend the Aberdeen Tunnel franchise.

The franchise is held by Wharf (Holdings).

While China is likely to sanction the extension of the franchise—which expires at the end of this month—for another four years, many crucial issues will be left unresolved.

Sources in Beijing said Chinese Joint Liaison Group [JLG] members had given "full and careful" regard to

the Aberdeen Tunnel franchise based on information from the Hong Kong government.

Franchises straddling the 1997 handover will head the agenda of this three-day round of JLG negotiations.

Britain will raise the contentious issue of the franchise for Hong Kong's ninth container terminal (CT9), but China has already signalled it will not condone the contract being awarded to the consortium led by Jardines. Acrimonious relations between Jardines and China date back to early colonial days.

The JLG, set up to resolve transitional issues affecting Hong Kong, is supposed to meet three times a year.

The last meeting, in June, was the first in six months and broke up early without substantial progress.

In Beijing yesterday, Sir Charles Powell, the director of Matheson and Company, a firm in the Jardines group, refused to comment on the CT9 row.

"The only reason I am here in Beijing is to promote British trade in China," Powell said.

"I am not having any discussions on any other issues, anything relating to Hong Kong-whatsoever, during the time I am here."

Powell is accompanying a British trade mission to China. He arrives in Hong Kong today.

Hugh Davies, the head of the British JLG team, said on his arrival in the Chinese capital yesterday that Britain considered it urgent to make progress on the issue of CT9.

"There is no doubt that Hong Kong needs CT9 and, as far as we are concerned, it is extremely dangerous trying to introduce political criteria into the selection of consortia to build any infrastructure project," Davies said.

"So we certainly want to put that on the record to the Chinese as the Governor (Chris Patten) has already done.

"We hope that we can make progress at this meeting.

"I am waiting for the Chinese government's response to the information that has been passed to them and when we have the response, we will consider how we take things forward."

Although deteriorating Sino-British relations strained by political factors have clearly affected British commercial interests in Hong Kong, leaders of the British trade mission now on a tour in China refused to admit it.

Sir Michael Pallister, the co-chairman of the mission, said the Chinese Vice-Premier, Li Lanqing, who received the mission yesterday afternoon, assured them politics should not be mixed with trade.

"Li has made it clear that it was not Chinese policy to discriminate against British business," Pallister said.

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"We take the view that whatever the political problems might be, the important thing is to continue to do business with China."

Lord Alexander of Weedon, the chairman of a British bank, said: "Today it is being made absolutely plain time and again that politics is to be kept separate from trade and commerce."

Lu Ping Wants CT9 Contract 'Retendered'

HK2009053794 Hong Kong HONGKONG STANDARD in English 20 Sep 94 p 2

[By Cary Huang and Laura Chan in Beijing]

[Excerpt] China's top official in charge of Hong Kong affairs has called for the controversial Container Terminal Nine (CT9) contract to be retendered if Britain and China cannot resolve the issue through negotiations.

Director of the State Council's Hong Kong and Macao Affairs Office Lu Ping yesterday attacked the government's decision to award the CT9 contract to a consortium which included Jardine Matheson as breaching "economic principle".

His comments came as a British business delegation, including representatives from Jardine, met senior Chinese leaders in Beijing.

In an interview with the Sing Tao Group [owner of the HONGKONG STANDARD], Mr Lu said he hoped Britain and China could resolve the issue through consultation.

"But if we cannot solve the issue this way, let it go for public tender which is fair and open," he said.

"We do not want to see that the offer was not in line with economic principle; this is our major concern over the issue."

His comments have fuelled the row over the award of the lucrative CT9 contract.

Last week China accused Governor Chris Patten of reaching a secret deal with Jardine by awarding it the contract in exchange for supporting his political reform package. Mr Lu stepped up the attack yesterday.

"The contract of the terminal will straddle beyond 1997, so the British Hong Kong authorities should have consulted China before it made the offer," he said.

Mr Lu said Beijing welcomed tenders from investors from any nation. [passage omitted]

Commentary Criticizes Patten's Reaction to CT9

HK1909105194 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1016 GMT 17 Sep 94

[Commentary by reporter Zhao Jin (6392 6855): Why Has Patten Flown Into a Rage?]

[Text] Hong Kong, 17 Sep (ZHONGGUO TONGXUN SHE)—The fact that Hong Kong Governor Mr Patten and high-ranking Hong Kong Government officials have flown into a rage because of an article published by the mass media should be described as an odd phenomenon. It is odd because Mr Patten has unblushingly boasted of his airs as a defender of press freedom.

A few days ago, this agency published a commentary entitled "A Thief Crying, 'Stop Thief,' a Show Covering Up an Illicit Deal" on the issue of building Hong Kong's Container Terminal Nine [CT9]. Immediately afterward, Patten—in an intimidating tone—made the criticism that "people who make those sort of statements need to be very careful that they do not do very serious damage to reputations in Hong Kong." A high-ranking Hong Kong Government official claimed that he was "shocked" by what the article said, and the following day, another high-ranking official made a high-sounding response: "It will have an extremely bad effect in the international business community if the CT9 is opened to bidding again."

Why are Patten and the others so infuriated? It is because the facts revealed in the article have touched a raw nerve.

The British Hong Kong Government surely must understand that their right to govern Hong Kong will terminate on 30 June 1997, but as the CT9 franchise will straddle 1997, it goes without saying that China will not recognize any terminal construction project granted without consulting with the Chinese side because it is tantamount to a transgression of the ruling authority of the future Special Administrative Region government. The Hong Kong Government has granted the franchise for those development projects in a form of private agreement rather than through open tenders, and the firm that has snatched the project of developing half the berths at the terminal happens to be a noted consortium that not only lacks the management experience and professional standards to handle a modern container terminal, but also has no sense of commitment to the future of Hong Kong. What brings about such an outcome? Hong Kong citizens still cannot get their doubts and suspicions dispelled.

News is a public tool of a society. Journalists' professionalism is to respect facts, that is, to report and comment on things according to facts. This agency published the article merely to inform the public of the basic facts, to point out that what the Hong Kong Government had done was an "illicit deal," and to call the public's attention to noneconomic factors behind the practice which violated the principle of open and fair business. Some people keep saying that we must not confuse politics with economics, and that politics and economics must be divorced from each other. However, the fact that they have granted CT9 contracts to others in private demonstrates precisely that they confuse politics with

economics, and use economic interests as political reciprocation. Some people disclosed long ago that this company was related to Wilson's step-down and Patten's coming to Hong Kong to assume office, did they not?

The article's viewpoint has aroused sympathy among the media in Hong Kong, which have questioned the practice of "making an illicit transfer." A newspaper published an "editorial" on that day and urged the "Hong Kong Government to prove that it is not an 'illicit' deal"; another newspaper pointed out that "in terms of concrete actions," the consortium "is the one among various large British companies which has the least confidence in the future of Hong Kong."

Facing the media's criticism, the Hong Kong Government cannot produce convincing facts to prove that they have never made an "illicit transfer" on the basis of certain "political correctness." On the contrary, they warned the media to "be particularly careful." What makes people wonder deeply is that Mr Patten often talks about respecting press freedom, does he not? Why has he flown into a rage against, and even threatened to stifle an article in which the media made comments based on the facts?

The fact that Patten accused this agency's article of "doing very serious damage to our reputation in Hong Kong" is even an absurd argument. How will Hong Kong's reputation be damaged when the media make comments based on the facts? It is the Hong Kong Government that has treated business projects as a special political favor, and it is precisely this erroneous move that will damage Hong Kong's reputation as an international metropolis where all businessmen can compete with each other fairly. To avert such damage, the only way is to alter the erroneous practice and to correct the mistakes. That is what a promising government should do. However, what the high-ranking Hong Kong Government officials have said up to the present is nothing but still obstinately holding to their stand and asserting that the consortium's withdrawal "would deliver a disastrous message to the whole world." Are they not cherishing the illusion of compelling the Chinese side to give in by presenting it with a *fait accompli*?

Further Reportage on District Board Elections

Commission Announces Results

OW1909133494 Beijing XINHUA in English 1307 GMT 19 Sep 94

[Text] Hong Kong, September 19 (XINHUA)—Political party-supported candidates took most of the seats up for grab in Hong Kong's last District Board [DB] elections under the British rule, according to the election results announced by the Boundary and Election Commission today.

Of the 296 seats contested, 130 went to three major political organizations with 75 going to the United

Democrats of Hong Kong and Meeting Point, 37 to the Democratic Alliance for the Betterment of Hong Kong (DAB), and 18 to the Liberal Party. The remaining seats were won by either independents or lesser organizations.

A total of 50 seats with only one candidate entered in each constituency were uncontested.

Noteworthy in the elections was the performance of the Democratic Alliance for the Betterment of Hong Kong, a party set up by local patriots in 1992, which achieved 37 seats in its election debut in the territory.

DAB Secretary General Cheng Kai-nam described his party's showing in the election as "encouraging," saying that this demonstrated the popularity of the young alliance among local residents and enhanced the party's confidence in Hong Kong's future.

A total of 693,223 voters, or 33.1 percent of the electors, turned out to cast votes for members on 18 District Boards, the grassroots level of the three-tier political structure, which advise the British Hong Kong Government on such affairs as culture, recreation and environmental sanitation.

The DB elections were based on Governor Chris Patten's political bill which was flatly rejected by China because it goes against the Sino-British Joint Declaration, the Basic Law of the future Hong Kong Special Administrative Region and agreements and understandings reached between the two countries.

China's legislature, the Standing Committee of the National People's Congress, adopted a decision last month that the three-tier political structure created according to Patten's bill will be disbanded with the end of the British rule in Hong Kong in mid-1997.

Democrats Win 75 Seats

HK2009041694 Hong Kong EASTERN EXPRESS in English 20 Sep 94 p 1

[By staff reporters]

[Text] The territory's democracy forces threw down the gauntlet to their pro-China rivals yesterday as they swept to victory in the territory's first fully democratic elections.

The new Democratic Party won 75 of the 133 district board seats it contested, confirming its status as Hong Kong's most powerful political entity as its rivals either flopped badly or struggled to hold their ground.

The leading pro-China party, the Democratic Alliance for the Betterment of Hong Kong (DAB), won 37 of the 83 seats it contested, much lower than the 60 seats it had expected to take.

The Liberal Party fared disastrously, winning just 18 of the 90 seats it contested.

The fringe pro-democracy party, the Association for Democracy and People's Livelihood, recorded a string of successes.

The Democratic Party, a merger between the United Democrats and Meeting Point, now looks certain to dominate next year's Legislative Council elections, the last under British rule.

Anthony Cheung, the Meeting Point chairman, said that the 33 per cent voter turnout demonstrated people's enthusiasm.

"People took the elections seriously ... They were not turned away by Chinese threats to reconstitute the three-tier municipal councils."

The vice-chairman of the United Democrats, Yeung Sum, said the polls had shown that most Hong Kong people identified with the political stance and social policies of the pro-democracy party.

Allen Lee, the leader of the pro-business Liberal Party, which favours China and had sought to derail Patten's electoral reforms, attempted to put a brave face on his party's dismal performance.

"There is disappointment," Lee said. "But we've learned a great deal. Of course, as a party leader, I hoped to get many more (seats) in this election ... Instead of taking a big step forward, we've taken a small step forward," he said.

"Unlike DAB, the Liberal Party does not know where our supporters are. We now know and we'll start from there to build up our reputation."

Before the formation of the Democratic Party, the Liberal Party was the biggest voting block in the legislature, often influencing crucial government legislation.

The DAB had been expected to suffer after revelations that its leader, Tsang Yok-sing, had tried to emigrate to Canada after the 1989 massacre in Beijing.

Tsang played down his party's performance and suggested that he might stand against the United Democrats leader, Martin Lee, in next year's Legislative Council elections. Two Beijing-controlled newspapers, *Ta Kung Pao* and *Wen Wei Po*, accused the Governor, Chris Patten, of trying to thwart "patriotic" forces, a reference to the relatively poor showing by the DAB.

The Home Affairs Secretary, Michael Suen, said the election affirmed Hong Kong people wanted democracy after 1997. "Hong Kong people are getting more mature—they have their own thinking and are not easily moved by others," he said.

"While I cannot speak on behalf of the Chinese side on this election, I'm sure they now have a better understanding of Hong Kong people's needs," Suen said.

No Change in Beijing Stance

HK2009054194 Hong Kong HONGKONG STANDARD
in English 20 Sep 94 p 1

[By Francis Moriarty, M Y Sung and Cary Huang in Beijing]

[Text] China's top official on Hong Kong affairs says the United Democrats strong election showing will not change Beijing's stance toward the party.

A United Democrats-Meeting Point alliance swept 75 district board seats, more than double the 37 for the pro-China Democratic Alliance for the Betterment of Hong Kong (DAB), in the territory's first fully direct poll.

The Association for Democracy and People's Livelihood won 28 seats, the Liberal Party 18, and the Liberal Democratic Federation 11.

Lu Ping, director of the State Council's Hong Kong and Macao Affairs Office, said Beijing's attitude was unaffected by any party's showing.

"No matter which party wins a majority of votes in the elections, our attitude has been and will still be consistent, clear and will not be changed due to the election results," he said.

At the same time, Xinhua News Agency deputy director Zhang Junsheng yesterday urged Hong Kong citizens to actively take part in elections.

Despite British rule, Hong Kong people should participate in all open elections, he said, calling this a basic right they should not give up. However, he said all three tiers of government would be disbanded in 1997.

The pro-democracy alliance led in terms of seats, but analysts estimate a similar number is held by the DAB and pro-China independents. Beijing had refused contact with United Democrats and stripped Anthony Cheung, Meeting Point's chairman, from its list of appointed advisers when the parties announced their merger.

But while issuing a tough line toward democrats, Mr Lu told reporters from the Sing Tao Group [owner of the HONGKONG STANDARD] that "on the other hand, we will stick to the principle of Hong Kong people ruling Hong Kong".

Political analyst Steven Tang said the future relationship between the Democratic Party and China depended on whether Beijing viewed the results in an "irrational way".

"If China looks at it in an irrational way, they will focus on the United Democrats victory."

However, five Beijing-appointed Hong Kong affairs advisers and 53 district affairs advisers won seats.

Michael Degolyer, head of the Hong Kong Transition Project at Baptist College, said the direct election could prove hard to undo.

He said if those elected provided responsible government, then "China cannot allege chaos has been created".

"It would be difficult for China to justify (disbanding the three tiers of government) if people said: 'You don't trust us as much as the occupiers, the colonisers did'."

LDF: Election Rules 'Unfair'

HK2009040794 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1050 GMT 19 Sep 94

[By reporter Xiao Xia (5618 7209): "Hong Kong Liberal Democratic Federation Vice Chairman Wong Siu-ye Criticizes Unfair Regulations for District Board Election"]

[Text] Hong Kong, 19 Sep (ZHONGGUO TONGXUN SHE)—When commenting on the just-concluded District Board election, Wong Siu-ye, vice chairman of Hong Kong's Liberal Democratic Federation [LDF], said that he was dissatisfied with many electoral measures taken by the Hong Kong Government because those measures appeared to be tailor-made for the "pro-democracy faction." He also said that under the situation of marked "administrative intervention," what the "LDF" had achieved was quite satisfactory. The "LDF" fielded a total of 28 people in this election, and 11 of them were elected, a success rate of approximately 40 percent. Wong Siu-ye himself ran for reelection in the Sheung Lok constituency of Kowloon City and gained 1,696 votes, more than double that scored by his opponent.

Wong Siu-ye felt that this election was unfair. He said that due to many directives and restrictions set by the authorities, candidates conforming to the rules were subjected to every kind of restraint, but candidates of some political groups appeared to understand that long ago and knew how to deal with them. Meanwhile, the Hong Kong Government tried all possible means to create an atmosphere of guiding voters to resist candidates who are on intimate terms with the Chinese side.

Wong Siu-ye also pointed out that the "LDF" unexpectedly lost in some constituencies, not because its candidates were not strong enough or did not have a fine performance in the election campaign, but because the rules of the game had gone wrong, so the loss was not convincing.

Election Turnout Assessed

HK1909103194 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1306 GMT 18 Sep 94

["Special feature" by reporter Hong Wen (3126 2429): "Hong Kong's Largest-Scale District Board Elections Held Today"]

[Text] Hong Kong, 18 Sep (ZHONGGUO TONGXUN SHE)—The 1994 Hong Kong district board elections, the largest in local history, formally began at 0730 today. A total of 757 candidates are contending 346 seats, including 50 who will be returned unopposed. By 1800, 410,000 voters had cast their votes. The turnout rate is 19.7 percent, slightly lower than the last figure of 32.5 percent. [sentence as received] However, with the greatest number of voters expected to cast their ballots in the evening, the turnout rate is predicted to be about the same as the previous figure. The results are expected before dawn.

In the first four hours, about 149,000 voters went to different polling stations, representing a turnout rate of 7.1 percent, up about 60 percent over the same period of the 1991 District Board elections. Wu Kwok-hing, chairman of the Boundary and Election Commission, was quite satisfied with this figure.

Three major local political parties sent powerful lobbying groups to "engage in the war." Leaders and core members of the parties also came to the polling stations to "cheer on" their candidates. The Democratic Alliance for the Betterment of Hong Kong (DAB) sent 79 members to enter into the election contest, while the United Democrats of Hong Kong and the Liberal Party sent 131 and 80, respectively. Statistics show more than 400 candidates are supported by political parties or mass organizations.

An election expert predicted that political parties' impact on the elections would find expression when the elections are in full swing. However, many voters said they would vote for those who had acquitted themselves well in the past, to the exclusion of which political parties are behind them.

The lobbying groups in various constituencies were locked in the fight for "winning support for their candidates." Some political parties even sent student cheering squads to the polling stations. However, turnout varied from place to place. While constituencies on outlying islands and where there are more candidates saw a good turnout, there was a rather poor turnout in some polling stations, including those in Tsim Sha Tsui.

DAB leader Tsang Yok-sing said that if an organization is planning to run for the Municipal and Legislative Councils next year, it must attach great importance to the District Board elections because this is an opportunity to test its strength and win support.

The 346 District Board members returned in the current elections will join the Election Committee, which will return 10 legislative members. The votes will be counted and checked after 2030, when the voting session is over, and the results will be available before dawn.

ZHONGGUO TONGXUN SHE Views Results

HK2009084794 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1715 GMT 19 Sep 94

["Commentary" by Zhao Jin (6392 6855): "Hong Kong District Board Elections Viewed"]

[Text] The last District Board elections under British rule are over. As the elections were the first direct elections conducted under Hong Kong Governor Chris Patten's political reform package, various political parties were locked in keen competition. As a result, the Democratic Alliance for the Betterment of Hong Kong (DAB) gained 37 seats; the Liberal Democratic Federation, 11; the Democratic Party, comprising the United Democrats of Hong Kong and the Meeting Point, 75; the Association for Democracy and People's Livelihood, 28; and the Liberal Party, 18.

This reporter acquired the following impressions after looking into the polls.

1. Hong Kong residents did not demonstrate their support for Patten's political reform package by going to the polls. The number of registered voters increased from 1.9 million in 1991 to the present 2.5 million. A total of 693,200 people cast ballots, 270,000 more than the 1991 figure of 423,900. The turnout rate, however, was 33.1 percent, only 0.6 percent up over the previous figure. Hong Kong Governor Patten gladly said the increase in voters showed that local residents support fair and open elections, and that they have become mature politically, implying that his political reform package is supported by Hong Kong people. In fact, however, the increase in voters was due to the lowering of the voting age from 21 to 18. The newly registered voters, aged between 18 and 20, totaled 100,000, but only 30,000 went to the polls, though the turnout rate of 35 percent was better than the overall rate. This reveals that lowering the voting age contributed to the overall turnout rate. Second, according to Patten's political reform package, District Board councils will vote 10 members into the Legislative Council. This stimulated competition between political parties. Third, a considerable number of newly registered voters went to the polls to exercise their political rights and to carry out their commitments, rather than to express support for Patten's political reform package. On the contrary, while favoring the decision by the Standing Committee of the National People's Congress to reorganize Hong Kong's three-tier councils in July 1997, they took part in the elections to accumulate experience and to prepare themselves for the reorganization of the three-tier councils in 1997. We could not help suspecting Patten of trying to take all the credit for himself by regarding the voters' enthusiasm as being in support of his political reform package.

2. Those political parties and candidates holding up the banner of loving the country and Hong Kong and of attaching importance to establishing good relations with the mainland were supported by the voters. This can be borne out by the fact that the DAB, which was founded not long ago, ranked second among the other political parties in terms of the number of successful candidates, and that many organizations and independent candidates adopting this basic stand participated in the elections.

3. Fairly many seats were won by those who have worked industriously at the grass-roots level. Statistics indicate that independent candidates won 120 seats, about one-third of the total of 346. This shows those candidates who had wholeheartedly served the community were the voters' first choice, and other candidates were no match for them despite their party background and the assistance provided by political stars. This also demonstrates that Hong Kong's democracy, as well as various political parties, are still in the bud. These political parties, which are not strong enough and suffer from a shortage of human resources, had seldom gone down to the grass-roots units before. When elections were about to be held, they sent "unexpected candidates" to enter the election contest in constituencies where they had not established ties beforehand. These candidates were defeated in the end, even though "political stars" came to their rescue.

4. The effect of the tactics of smearing a rival's reputation was limited. It is a normal practice for a political party to give publicity to its political views and achievements in order to win popular support, but politicians act otherwise. As is known to all, during the 10 days before the elections, some people launched a seemingly sudden, but actually well-prepared attack on the DAB, kicking up a rumpus over the emigration of DAB Chairman Tsang Yok-sing's wife and daughter. Hong Kong Governor Patten also spoke of the matter in person, adding fuel to the flames. Their attack was threatening for a time, but the election results show that their malicious plan to defeat their rivals in order to come out first was hardly successful. After watching this political show, voters cast their votes according to their original judgment. Voters were aware that they cannot hope for those who confront China to bring bright benefits to Hong Kong, and that only those who candidly exchange views with the mainland can help them solve many problems concerning the economies in the two areas and concerning livelihood.

5. Democracy must be expanded in Hong Kong gradually. Hong Kong has a population of 6 million, 4 million of which are eligible voters. A total of 2.46 million people registered to vote in the District Board elections, but only 700,000 went to the polls. These figures tell us that the majority of people remained reticent. Therefore, some people overestimated the situation when they said that Hong Kong's civic consciousness is moving toward maturity. They also ignored Hong Kong's reality when they inflated the role of the elections out of all proportion. How can it not be deplorable that the direction of a society of 6 million people is decided by 700,000 voters? Political democratization is a social ideal, as well as a social trend, and democracy in various areas has its unique characteristics and development path. Hong Kong's democracy needs a progressive process.

Editorial Assesses Elections

HK2009045094 Hong Kong SOUTH CHINA
MORNING POST in English 20 Sep 94 p 18

[Editorial: "Hard To Unwind Clock"]

[Text] Given the District Boards' limited powers, the weekend's elections cannot be hailed as history's boldest experiment in democracy. The Boards' constitutional role of electing 10 members of the Legislative Council is certainly revolutionary, and was perhaps the major reason for China's furious rejection of Chris Patten's electoral reform package. But few voters will have been aware of that role or taken it into account in their decisions. The Boards are Hong Kong's lowliest tier of government and their impact on the administration is limited. In the short term it may actually diminish now that the administration can no longer rely on the support of appointed members.

Nevertheless full democracy at whatever level is an innovation. The elimination of government appointees is remarkable. And as the Boards learn to play up their popular mandate, the Government may find them harder to ignore. However, the real significance of the polls does not lie in the Boards' relative institutional importance. They will anyway be disbanded in 1997. What matters is the way the elections were fought—and the fact that nearly 700,000 turned out to vote despite China's anger. There has been a remarkable shift in Hong Kong's way of looking at itself, which the territory's future sovereign power will find it hard to reverse.

The leader of the China-backed Democratic Alliance for the Betterment of Hong Kong (DAB), Tsang Yok-sing, rightly observed that the elections were fought on local bread and butter issues, not on the rights and wrongs of the Governor's political package. Drugs and drains, transport and trash-disposal are precisely what local democracy is supposed to be about. Any candidate who failed to recognise these concerns was doomed to failure. But about two-thirds of the successful candidates were also affiliated to a political party, including a substantial minority to the DAB. Mr Tsang cannot overlook that. The electorate has shown itself to be politically aware, and generally keen to encourage democratic development. The DAB's own participation has boosted this self-confidence. The elections were not only free, fair and acceptable to the people of Hong Kong, they were also spared any boycotts by pro-China groupings. It will be hard for China to turn back the clock to the days when Hong Kong people neither knew nor cared who was in charge of their affairs.

The one black cloud over the election result was the relatively small percentage of registered electors who turned out to vote. But for that failure, the Government has only itself to blame. There was a 61 per cent increase in the overall number of voters. If that was not reflected as a proportion of the electoral roll, it was because the register is stuffed with the names of emigrants, residents who have changed their address and substantial numbers of the dead departed. Other democracies update registers from scratch between polls. The Hong Kong Government's failure to perform this basic housekeeping task is an embarrassment. But it should not distract attention

from the fundamental, perhaps irreversible, changes democratisation has brought to political consciousness in Hong Kong.

EASTERN EXPRESS Views Results

HK2009041894 Hong Kong EASTERN EXPRESS in English 20 Sep 94 p 15

[Editorial: "Where Do Liberals Go From Here"]

[Text] What now for the Liberal Party and its leader, Allen Lee? Its dismal showing in the polls must surely put a question mark over the future of the party and its chairman.

Lee will have to shoulder much of the blame for this humiliating message from the voters who are plainly unimpressed.

If his previous record had demonstrated rather more ideological consistency, and a lesser tendency to change his policies when it suited his own purpose, the results might have been different.

In spite of the glossy brochures, and the high profile electioneering, voters have given the Liberal Party a massive thumbs down. If candidates do not appear to believe steadfastly in anything themselves, they can hardly expect the voters to believe in them.

It simply is not possible for any politician or party to retain credibility, and earn the trust and confidence of voters, when their policies bend to every passing breeze.

If the Liberals have the stomach to fight on in the forthcoming elections, they will have to spend the next months endeavouring to convince the electorate that they actually stand for something, otherwise all they can expect is a second resounding rejection at the ballot box.

It will be interesting to see what Lee decides to do next. He may not relish the idea of another thrashing in public and the opportunity to step out of the spotlight may be growing increasingly attractive.

The new Democratic Party, on the other hand, has every reason for celebration. The strong showing shows that, at the end of the day, public confidence is what really counts.

At the other end of the political spectrum the pro-Beijing Democratic Alliance for the Betterment of Hong Kong (DAB) can be mildly content with its showing considering all the fuss over its chairman, Tsang Yok-sing, and his attempts to secure a Canadian passport.

Taking into account that this was an election for the most minor tier of government, the turnout was disappointing but not totally discouraging.

The fact that 33.1 per cent of the electorate voted will neither satisfy the Governor, Chris Patten, nor depress him.

What he will find slightly alarming is that the percentage turn-out was only a fraction higher than four years ago.

Patten went to enormous lengths to give Hong Kong its first fully democratic election. He might have expected a more enthusiastic response. Still, it is a good base to build on.

In an attempt to put a positive spin on the election, Patten pointed out there is historically a lower percentage of the electorate who vote at local council elections in Britain, (the equivalent of the district boards,) usually because they don't think it is very important to vote for those who decide how the refuse collection operates, or how the sewage system works.

In the case of the district board poll, however, they do not merely decide these crucial—if domestic—matters, they will also elect ten members to the Legislative Council, and therefore their political philosophy has some influence in the higher chamber.

Patten has reason to be heartened in particular by the impressive total of young voters between the age of 18 and 21.

In the West, this group is usually the least interested in politics, and the lowest group of voters.

Hong Kong's young people have shown a commitment to the democratic process and a concern about the future of the territory.

They have also demonstrated a willingness to do what they can to influence that future, and it is vitally important that they should.

On the negative side, this election was on occasion something of a dirty business, with missiles—and worse—thrown out of windows, and constituency workers tearing down posters of opposition parties. This is regrettable but it is only to be expected when there were so many elements who were hostile to the concept of elections in the first place.

In spite of all that, the turnout shows that in general, people have not been deterred from voting because of the dark mutterings from Beijing.

It has been a long, and at times, bitter struggle to bring the democratic process to Hong Kong, and the victory for Patten's reforms last June has been overshadowed by China's avowed intention to dismantle the entire system once it takes over the reigns of government in 1997.

Now they have been given a clear indication of how many people in the territory feel about the future.

They may choose to overrule it, but it cannot be ignored.

General Cited on Troops To Be Stationed in SAR

HK1909145294 Hong Kong KUANG CHIAO CHING
in Chinese No 263, 16 Aug 94 pp 22-23

[By Chen Hsiu-lien (7115 4423 5571): "New Trends of People's Liberation Army Troops To Be Stationed in Hong Kong"]

[Text] The year 1997 is drawing nearer and nearer. It is only two years or so from now.

The Garrison Is Being Organized

Not long ago, a People's Liberation Army [PLA] general said to this writer: "The troops to be stationed in Hong Kong are being organized." "The Hong Kong garrison will not be large. It will comprise only a few thousand people, smaller than an army unit (which is approximately 40,000 troops). But they will have a very high status and will be at the provincial "military district" level and directly commanded and mobilized by the Central Military Commission. Shenzhen Is the Rear Supply Base [subhead]

"In order to guarantee the quality of life of the PLA troops, the rear supply base for the Hong Kong garrison will be set up in Shenzhen. Central Military Commission Chairman Jiang Zemin recently instructed that Shenzhen and Zhuhai should properly support and prepare for the reversion of Hong Kong and Macao." "For the sake of convenience, arrangements will also be made for the relocation of the families and dependents of some senior officers to Shenzhen."

This writer asked: "Are all the PLA troops to be garrisoned in Hong Kong from Guangdong, or are they to be sent from the 42d Army currently stationed in Guangdong?"

The general, who is well informed on the situation, said: "No! The first consideration is not the factor of where they come from. What is most important is that the best officers and men be chosen. The officers and men will receive rigorous military training and will be educated in the fine traditions of the PLA. They will have to be well-versed in the Basic Law and the laws of Hong Kong and will have an understanding of the customs and habits of Hong Kong people. They will act in keeping with the principle of one country, two systems and will have specific garrison duties and functions in Hong Kong. They will firmly foster the idea of serving Hong Kong compatriots and so forth."

The Garrison Will Deter Subversive Elements; Lawbreakers Will Be Punished According to the Law

Effective 1 July 1997, PLA troops will be stationed in Hong Kong. This is a symbol and the embodiment of China's restoring the exercise of sovereignty over Hong Kong. The PLA troops will offer a guarantee of security for Hong Kong's long-term prosperity and stability and will resist foreign aggression. Anyone intending to throw Hong Kong into disorder must consider the presence of the PLA troops in Hong Kong. As Deng Xiaoping said: The PLA troops will play a deterrent role for subversive elements. In the event of a particularly great natural disaster or social disturbance, the Hong Kong garrison can, at the request of the government of the Hong Kong

Special Administrative Region [SAR], assist in maintaining normal public order in Hong Kong. But they must not interfere with the local affairs of the Hong Kong SAR.

In normal times, the PLA troops will be stationed in barracks. They must abide not only by the laws of China but also by the laws of the Hong Kong SAR. According to Article 14 of the Basic Law, if any of the garrison troops violates the laws of Hong Kong, he will be punished according to the laws of Hong Kong.

The general said: In the next few years, some disturbances will inevitably occur in society. But it is very unlikely that great disorder will occur because the overwhelming majority of Hong Kong residents wish stability and development to be maintained. They do not wish to see the occurrence of disturbances. China's situation is a guarantee determining Hong Kong's stability. There will be no problems as long as the Chinese top leadership is united and the economy continues to develop. If so, Hong Kong's transition, prosperity, and stability will be guaranteed. At present, China will probably succeed in its reentry to GATT. The political and business circles of the United States, Germany, France, and Japan are all striving to maintain communication and cooperation with China. If the British side insists on confrontation without considering its own strength, it will only isolate itself. It is estimated that Britain's current policy toward China will change in the next two years. But in any case, the most fundamental guarantee is to properly build Hong Kong on the strength of the Hong Kong people.

The Central Authorities Have Not Decided Who Will Head the Garrison

This writer asked: A certain Hong Kong news medium recently said that the future commander of the Hong Kong garrison will be Lieutenant General Zhou Yushu and that its political commissar will be Lei Mingqiu. Is this true?

The general replied: It was sheer groundless guesswork. In fact, the central authorities have not made a decision as to who the Hong Kong garrison head will be. It is still early for that! Will China Build a Naval Base in Hong Kong?

Some reports say that China will build a South China naval base in Hong Kong in the future, station aircraft carriers near Stonecutters Island, and change Hong Kong into a naval port.

The general said: This is completely impossible. China does not have any aircraft carriers at the present time. Even if it did, Stonecutters Island would be too small for them. The berths on Stonecutters Island can at most berth four escort vessels and some ordinary logistical vessels. Oceangoing military vessels must berth beyond Tsing Yi Island to the west of Hong Kong. More importantly, China does not have any intention of changing

Hong Kong into a naval base. For British troops stationed in Hong Kong, Hong Kong people used to pay 1.8 billion Hong Kong dollars in military expenditures each year. From 1988 onward, the British Hong Kong authorities and Britain reached an agreement whereby Hong Kong contributes 65 percent of the military expenditure for the British troops stationed in Hong Kong plus various other basic and repair charges. But according to Article 14 of the Basic Law, after Britain's withdrawal, the Chinese Government will be responsible for the defense of Hong Kong and Hong Kong people are not required to pay for the military expenditures, which will be the responsibility of the central people's government. China does not intend to build a naval base in Hong Kong. There is already a military airport in Huiyang, Guangdong, which is near Hong Kong. Moreover, there are several other airports in the vicinity, including the new Chek Lap Kok Airport, Shenzhen's Huangtian Airport, Macao Airport, and Zhuhai Airport. For the sake of flight security, China is not considering stationing fighter planes in Hong Kong. So isn't it ridiculous to build a naval base in Hong Kong without the coordination of the armed forces and the missile troops?

Hong Kong will, of course, have a crack auxiliary force of the Army, Navy, and Air Force. This is needed to display China's sovereignty. As Central Military Commission Vice Chairman Liu Huaqing said, it is completely necessary for China to maintain a certain degree of national defense capability, building up the armed forces is completely for the sake of self defense, and China will not threaten its Southeast Asian neighbors. It is a provocative argument to say that China will threaten its neighbors once it has a developed economy. The Garrison Will Not Come With a Fleet of Tanks [subhead]

Will China send a fleet of tanks to Hong Kong in case there is a need for a crackdown? The general said, smiling: Tanks and armored vehicles are completely useless in Hong Kong. Armored vehicles are for operations in mountains and hills. If tanks are always rolling on the highways, they will ruin the highway facilities. The future Hong Kong garrison will not come with a fleet of tanks.

Vietnamese Resist Attempt To Move Inmates

HK2009041594 Hong Kong EASTERN EXPRESS in English 20 Sep 94 p 1

[By Rachel Clarke]

[Text] Hundreds of Vietnamese boat people defied tear-gas, police and prison officers yesterday during a failed bid to remove 21 people from the High Island detention centre.

Fresh attempts will be made today to move the Vietnamese—eight men, eight women, four boys and a girl so they can be forcibly repatriated this week.

Eleven of the boat people spent most of the day on a roof, refusing to come down, despite having teargas fired at

them three times. The operation was suspended at nightfall and is to be resumed at about 9 am today.

There were no confirmed reports of injuries, but one witness saw a Vietnamese man being hit on the head with a truncheon, while other inmates had to be carried from the confrontation.

Inmates started protesting against the forced repatriation when a convoy of about 25 police vehicles arrived at High Island at 8:45 am.

About 600 people sat down in the playground area between the camp's huts, chanting their opposition.

At 3:30 pm the decision was taken to use force. Warnings were broadcast across the camp as 230 Correctional Services Department (CSD) guards moved in to confront the Vietnamese.

There were 300 police officers outside the camp.

The boat people surrounded the hut on which the 11 people were sitting and were themselves encircled by CSD officers.

The first teargas was fired at 4:40 pm, followed by other bursts at 4:52 pm and 4:55 pm.

The Vietnamese broke ranks but as soon as the teargas began to clear they returned to their positions around the hut.

Most of the protest remained peaceful, though there were scuffles and some boat people threw water over prison guards.

A government spokesman said he expected the removal to be completed today.

The operation follows the April 7 raid on the Whitehead detention centre when 1,500 people were moved to High Island in preparation for deportation.

The people selected for this week's flights were mostly those moved in the Whitehead raid when more than 500 rounds of teargas were fired, at least 330 people were injured and many were beaten.

The chairman of Refugee Concern, Tony Leung, said: "We are shocked that they have just gone back in and used the same methods for which they were condemned.

"I think there are other ways to move people, and that is not using megaphones to counsel them. But the Government is not going to wait for ever, and I think that may just result in using more force."

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